Multichannel NEWS

NewBay Media

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Charter, Weather Unveil New Brands

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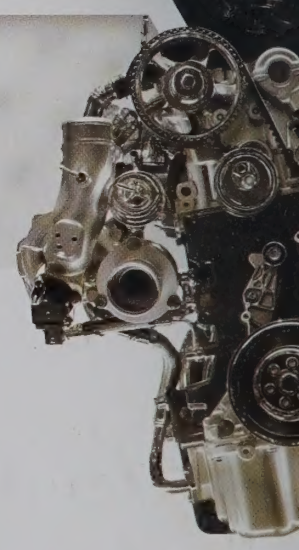

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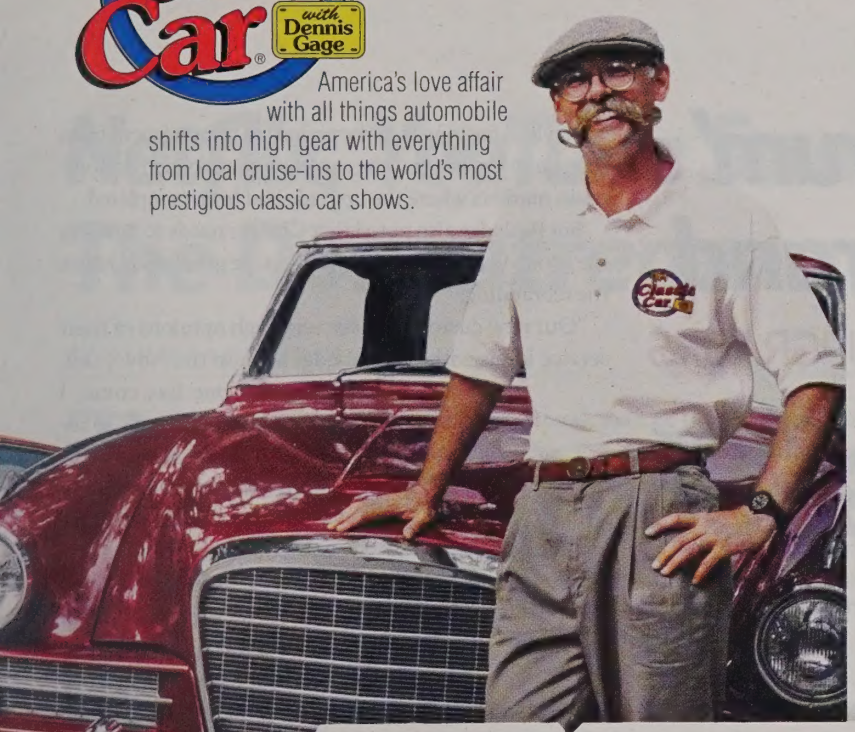

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Charter Unveils 'Spectrum' In Digital-Minded Rebrand

NEW MONIKER HIGHLIGHTS MSO'S PRODUCT UPGRADES

BY MIKE FARRELL

About a year after repackaging and repricing its product lines and initiating an aggressive all-digital plant upgrade, Charter Communications is set in the first quarter of next year to relaunch its products under a new brand umbrella — Charter Spectrum.

Charter would follow several other cable operators that have rebranded their video and broadband products, including Comcast's Xfinity and Cablevision Systems' Optimum. Charter, with the lowest video penetration of any publicly traded cable operator at about 34% of homes passed, has made several moves in the past year to repackage and reprice offerings to make them more attractive to consumers. The rebranding appears to be the logical next step.

TAKEAWAY

Looking to promote its all-digital upgrade, Charter Communications will market its consumer services under the "Spectrum" brand next year.

Charter senior vice president of communications Alex Dudley said that with all the transformative changes to Charter's products as the company goes all-digital — including more than doubling HD channels from about 100 to more than 200, significantly increasing broadband speeds and introducing a cloud-based user interface — it seemed like the proper time to unveil a new brand.

Charter Spectrum
TV | INTERNET | VOICE

Charter's new Spectrum logo is part of a rebranding initiative that will roll out early next year.

Charter CEO Tom Rutledge hinted that a rebranding was on the way during the MSO's third-quarter conference call on Nov. 5. During that call, he said Charter's video service has been challenged because it was inferior to the competition. But with the all-digital upgrade slated to be completed by the end of 2014, the hope is that the new products surrounding that revamp will translate into new subscribers.

That seems to be happening already. Rutledge noted on the call that although Charter lost about 27,000 residential basic-video customers in the period (an improvement from the 71,000 lost in 2012), the company gained video customers in markets where the upgrade had been completed.

But Rutledge also noted that Charter needs to build on the goodwill that upgraded products are generating, hence the rebranding.

"Our new customers have very high opinions of their service levels with us," Rutledge said on the Nov. 5 call. "So the time has come, I think, for us to begin to rebrand Charter and to go forward with a more aggressive push into the marketplace with our video product and our triple-play."

Charter expects to begin rolling out Charter Spectrum in the first quarter of 2014 and will expand as markets are converted to all-digital. While Charter did not reveal which markets will be targeted initially for the rebranding, its Fort Worth, Texas, market was one of the first to go all-digital and will likely be an early candidate for the rebranding efforts.

Dudley added that the Spectrum name came about as a result of internal discussions led by chief marketing officer Jonathan Hargis and advertising and marketing agencies Charter uses in the normal course of business. He added there are no plans to put the Charter Spectrum logo on trucks or employee uniforms in the immediate term, but that could change as the rollout moves forward.

The Weather Channel Gets Back to the Weather

BY R. THOMAS UMSTEAD

The Weather Channel will put a greater emphasis on live weather information as part of an overall network rebranding, officials said.

With a new tagline of "It's Amazing Out There," the rebranding will include an updated on-air look featuring new weather graphics for each of the network's programming dayparts, according to network officials. Weather will also focus on providing more local coverage of severe weather situations by offering continuous information crawls of local forecasts and live coverage of developing weather events specific to regions across the country, network president Dave Clark said.

"We felt like we needed to focus more on our strength, which is weather," Clark said. "It's a deeper commitment to the service role the channel plays, particularly in severe weather, in getting the right information out to the right communities at the right time."

The channel will feature a new graphical look for its "Local on the 8s" weather reports to create a richer, more detailed local presentation of the weather, Clark said. For viewers who don't want to wait 10 minutes for their local weather report, the network will feature weather information on the screen at all times, including during long-form programming and all commercial breaks.

For HD viewers, the screen will feature an enhanced sidebar with richer weather information, such as barometric pressure, tides and moon phases, as well as show rundown information.

The Weather Channel will also break from its national programming feed in local markets dealing with severe weather conditions. With more than 220 meteorologists on staff from around the country, Clark said the network has the ability to more effectively superserve markets dealing with breaking weather news. Clark added he expects to feature the local broadcasts approximately 125 to 150 times throughout the year.

The Weather Channel's rebranding includes updated graphics for its "Local on the 8s" feature, part of its overall refocusing on local news.

The network's longform, reality-themed programming lineup will be tied under the banner of "Natural Drama," and will focus more on character-driven and science-driven shows about the natural world. New shows include *Freaks of Nature*, which profiles people who are able to withstand extreme weather conditions.

While the network has no plans to eliminate its entertainment-based programs, Clark said the network had gotten away from its knitting by trying to broaden its audience base with content that may not have effectively reflected The Weather Channel's brand.

"We were always there during major weather-related events, but I think we had lost a little bit of focus outside of that," he said. "I think there is a role for great stories that involve weather on the network, but I think the playbook that other networks have had, where they broadened from their core, is not the right one for The Weather Channel."

The Weather Channel is hoping its increased on-air weather focus will help brighten its ratings forecast.

The network's primetime numbers for the third quarter were down 19% year to year to 208,000 viewers. Its total-day numbers took an even bigger hit, down 25% from third-quarter 2012.

"For us, the path to grow ratings is appealing to the passion of weather enthusiasts as opposed to trying to broaden out and becoming a general-entertainment network," Clark said.

Netflix, YouTube Swarm The Downstream

BY JEFF BAUMGARTNER

Talk about adding insult to injury. Just as trends indicate that cable operators will have trouble maintaining broadband subscriber growth, two over-the-top video providers that don't typically have a business relationship with MSOs are gobbling up the majority of their downstream broadband pipes.

Sandvine's latest "Global Internet Phenomena Report" found that Netflix and YouTube streaming represent more than 50% of all downstream traffic on North American fixed broadband networks.

TAKEAWAY

A pair of over-the-top players — Netflix and YouTube — are gobbling the lion's share of cable bandwidth, according to a new study.

However, peer-to-peer applications, once considered a scourge to cable broadband networks, continue to plummet, representing less than 10% of total traffic in North America and reaching that low ahead of Sandvine's 2015 prediction.

Netflix accounted for 32.25% of fixed-network downstream traffic during peak periods, slightly higher than the findings revealed last week. Sandvine said it expects Netflix to return to or surpass its previous heights now that it offers higher bit-rate "Super HD" content to all subscribers regardless of whether their ISPs are members of Open Connect, Netflix's private content-delivery network.

How much bandwidth consumers gobble up is becoming increasingly important as operators continue to test and deploy usage-based Internet policies that charge extra when customers go over their allotted byte caps.

Although critics claim usage-based Internet plans aim to suppress competitive over-the-top video services, the Federal Communications Commission's Open Internet order expressly allows usage-based pricing. But, as *Multichannel News* sister publication *Broadcasting & Cable* reported last June, the Justice Department had been contacting cable operators as part of an investigation that will look at the competitive effects of Internet data caps, TV Everywhere services and most-favored nation clauses, among other policies.

Downstream Darlings

Over-the-top video content providers Netflix and YouTube combine to account for more than half of all downstream traffic over fixed broadband networks in North America.

Application	Share of Traffic
Netflix	31.62%
YouTube	18.69%
HTTP	9.74%
BitTorrent	4.05%
iTunes	3.27%
MPEG- Other	2.6%
SSL (secure socket layer)	2.05%
Amazon Video	1.61%
Facebook	1.31%
Hulu	1.29%

SOURCE Sandvine Global Internet Phenomena Report

Sandvine said median monthly usage, a figure that Sandvine believes is more indicative of a "typical user," was 18.2 Gigabytes, relatively flat when compared with its report in May. That tracks well with the median monthly usage of 16 GB to 18 GB per month seen at Comcast, which is testing a usage-based Internet policy that caps monthly consumption at 300 GB before overage charges are applied.

PUBLISHING NOTE

Multichannel News will not publish a print edition on Nov. 25 due to the Thanksgiving holiday, but log on to **multichannel.com** for the latest breaking industry news. The next print edition will be published Dec. 2.

10 STORIES THAT MATTER

1 Biographic Hits
Cable networks have mined gold from reimagined portrayals of historical figures (see cover story, page 12).

2 More Weather Info
Spiffier "Local on the 8s" presentations and more data on the screen around the clock are part of an effort to keep The Weather Channel's viewers watching (see page 4).

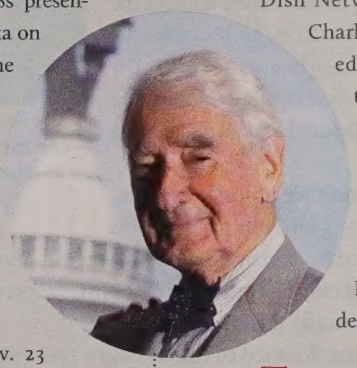
3 Puncher's Chance
Should HBO's Nov. 23 Pacquiao-Rios bout approach 1 million buys, it should propel the pay-per-view category beyond 2012's 4 million buys (see page 14).

4 Free Calls to Philippines
Cable companies including Comcast, Time Warner Cable and Cox have added Filipino Channel programming and offered free calls to the typhoon-stricken region (see multichannel.com/Nov18).

5 Comcast Turns 50
The nation's biggest cable operator's roots trace back to a single acquired system in Tupelo, Miss., in 1963, and have extended far since then (see special report, page 19).

6 Ending Sports Blackouts
Two senators have put forward a bill that would avert future losses of sports programming from TV screens (see page 34).

7 Dish-Disney Complications
Dish Network chairman Charlie Ergen provided a glimpse into the complexity of the satellite-TV firm's surprisingly cordial talks toward a new Disney carriage deal (see page 12).



8 New Slate at TVGN
A documentary series about *New Kids on the Block* rock cruises is among the fandom-centered new shows coming under new ownership at TVGN (see multichannel.com/Nov18).

9 Broadband Slowdown
There are no easy solutions to reversing the decline in growth of cable's most important profit engine (see page 38).

10 Firing at Blank
Showtime Networks chief Matt Blank took some good-natured ribs about his network's programming, and dealt some one-liners of his own (see page 42).

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Comcast's RDK Champion Heads to Harris Broadcast

BY JEFF BAUMGARTNER

Comcast lost a big leader in its next-gen X1 platform effort with the departure of Steve Reynolds, who has left to take the technology helm of a Colorado-based supplier of video hardware, software and transmission gear.

Reynolds, an executive who has played an important role in the development of the Reference Design Kit (RDK) for IP-connected set tops, has left the operator to become the chief technology officer of Englewood, Colo.-based Harris Broadcast, *Multichannel News* has learned.

Steve Reynolds: Moving from Comcast to the rebranding Harris Broadcast.

According to multiple industry sources, Reynolds's last day with Comcast was Nov. 15. His exact start date at Harris Broadcast was not immediately known, but official word of his new post is expected to come as early as today (Nov. 18).

Harris Broadcast declined to comment. At press time, Comcast had yet to comment on Reynolds's status with the MSO and whether it has identified an interim or permanent replacement for him. Sources said Harris Broadcast's revised strategic direction and Reynolds's desire to be based in the Denver area full-time factored into his decision.

The departure of Reynolds will leave Comcast with an important void to fill with respect to its ongoing video technology and services strategy. Reynolds, who joined Comcast in 2007, was the operator's senior vice president, premises technology, responsible for technology strategies and roadmaps for the operator's customer-premises equipment, including set tops and gateways.

Reynolds, known by industry insiders for his entrepreneurial spirit and his pioneering work on the pay TV industry's early navigation systems and applications for digital set-top boxes, spent part of his career at Comcast on assignment at Canoe, the cross-MSO advanced advertising venture. He previously served in high-ranking executive roles at video software and app firms OpenTV (now part of Nagra) and Intellocity (a video app startup bought by ACTV in 2001; OpenTV bought ACTV in 2002), as well as at Gemstar-TV Guide International (now part of Rovi).

In recent years at Comcast, Reynolds helped to spool up the RDK, a pre-integrated software stack for IP-only and hybrid QAM/IP set tops and gateways comprising open- and shared-source components. Comcast's next-generation video service, X1, is the first commercial product to be based on the RDK.

Reynolds leaves Comcast as the RDK starts the next leg of its journey and Harris Broadcast undergoes a transformation of its own.

The RDK, following its start as a project limited to Comcast, is starting to gather momentum among other cable operators, including Time Warner Cable, Rogers Communications and Liberty Global. Earlier this year, Comcast and TWC formed RDK Management LLC, a joint venture that is managing the platform.

Harris Broadcast, the long-time provider of video and communications technology and services to broadcasters, satellite companies and MSOs, is undergoing significant changes as well. In July, the company appointed Charlie Vogt as CEO.

Vogt, the former CEO of Genband, is in the process of building his new leadership team and redefining the company's mission and strategy.

Harris Broadcast makes networking gear, including routers and test and measurement equipment; video playout products, including video servers and asset management systems; and TV and radio transmission products. Reynolds is expected to play a big role as the company reshapes its product strategy for the cable industry.

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Rock-ing the Video World

ROCKEFELLER INTRODUCES OTT-FRIENDLY REFORM BILL

BY JOHN EGGERTON

AFP PHOTO/MANDEL NGAN

Sen. Jay Rockefeller (D-W.Va.) is pushing for equal, or at least relatively equivalent, program-access rights for over-the-top players.

WASHINGTON — If Sen. Jay Rockefeller (D-W.Va.) has his way — and that's a big "if" — over-the-top video providers would get access to programming rights similar to those given to satellite operators in the 1992 Cable Act in an effort to make them more competitive with cable MVPDs.

Rockefeller introduced an omnibus video-reform bill that was over the top in more ways than one. Literally, it was a bill to boost the competitiveness of online video providers by giving them a path to multichannel video-programming distributor (MVPD) citizenship. It was also over the top in the sense that it was wide-ranging and hit at least one key hot button that will make the measure hard for Republicans to swallow.

Asked if the bill had any GOP support, a Rockefeller spokesperson would only say the bill "starts a long overdue conversation about these issues."

TAKEAWAY

A new omnibus video reform bill in the Senate would give over-the-top video providers a route to full MVPD citizenship.

The bill's goal is to ensure that cable operators and their affiliated over-the-top services cannot disadvantage online competitors. Aides to the senator conceded the bill was meant to be a conversation starter, and it was. Cable operators, for their part, suggested that online video providers were already doing quite well.

"Services like Netflix already have almost 30 million U.S. subscribers — far larger than any single multichannel video provider," the National Cable & Telecommunications Association said in a statement. "In addition, Hulu, iTunes, Amazon Prime, Redbox, Vudu, Vimeo, Boxee, Roku, Apple TV and YouTube are providing consumers with increasing options for competitive entertainment choices, facilitated in large part by massive ongoing investments in broadband networks. In a world marked by such dynamism and robust competition, prudent policy dictates the removal of regulatory obstacles for all instead of creating marketplace disparities that would 'cherry-pick' rights and obligations for some."

Given that those Rockefeller aides also described the measure as essentially imposing 1992 satellite regulations on Internet delivery, the bill is unlikely to draw support from Republicans, who are looking for fewer regulations on everyone and have argued against transplanting old regulatory regimes onto new delivery systems.

The bill, like the a la carte bill from Sen. John McCain (R-Ariz.) before it, is more likely to be a catalyst for debate in the run-up to the Satellite Television Extension and Localism Act (STELA) than something that hits President Obama's desk, but it provided plenty to talk about.

That included not requiring over-the-top providers to pay retransmission-consent fees or subjecting them to local franchising authorities. But the bill was a bit of a grab bag, ranging into copyright issues, usage-based pricing and more.

Following are some of the highlights — or lowlights, depending on one's perspective — of a bill that would make the following changes to the Communications Act:

- Internet-service providers would have to provide plain-language disclosures in any ads of whatever the Federal Communications Commission decides consumers need to know about the service and must provide a laundry list of disclosures to their subscribers about everything from actual upload and download speeds to a "projected monthly bill."
- The FCC would have to set up a usage-based billing monitoring regime to ensure ISPs are accurately gauging that use, and ISPs could not use usage-based billing to disadvantage competing OVDs.
- None of the bill's provisions affect contracts struck before Dec. 1, but they would apply to any contract renewals.
- The bill makes it unlawful for either broadcast networks or stations to refuse to negotiate with OVDs for carriage or to limit which platforms or devices can access the content. The FCC would have to define and apply a "good-faith" negotiation standard.
- Broadcasters can't provide OVDs with a materially different signal than what it broadcasts. [Editor's Note: The McCain a la carte bill has a similar provision.]
- An antenna-rental service [i.e., Aereo] shall be exempt from paying retransmission-consent fees, though it would have to pay a compulsory license for the underlying programming.
- In a nod to net neutrality, the bill would not allow an ISP to "block, degrade or otherwise impair any content provided by an online video distributor."
- The bill states that any OVD that provides programing "in a manner reasonably equivalent to a multichannel video programming distributor may elect to be treated as a non-facilities-based multichannel-video programming distributor." But OVDs that elect that option will not be subject to franchising authorities, syndicated exclusivity or network nonduplication requirements, and can deliver out-of-market TV stations if a consumer wants them.

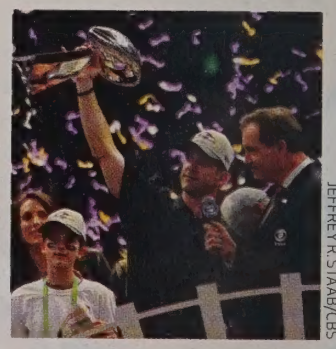
NFL, MLB: If Aereo Wins, Broadcasters Will Lose

BY JOHN EGGERTON

WASHINGTON — Forget sports siphoning to pay TV. If Aereo wins its court case, the floodgates will open, and the World Series, Super Bowl and probably the regular seasons of pro baseball and football will move to ESPN, TNT and other pay outlets.

That was the message from Major League Baseball and the NFL to the Supreme Court in an amicus brief supporting a broadcaster effort to block Aereo's online TV-station delivery service. Stations argue that Aereo threatens their business model, and the brief from the sports leagues definitely put some meat on that bone.

"If copyright holders lose their exclusive retransmission-licensing rights, and the substantial benefits derived from those rights when they place programming on broadcast stations, those stations will become less attractive mediums for distributing copyrighted content," they wrote to the court. "The option for copyright holders will be to move that content to paid cable networks (such as ESPN and TNT), where Aereo-like services cannot hijack and exploit their programming without authorization."



JEFFREY R. STAAB/CBS

The NFL cautioned that events like the Super Bowl, which aired last year on CBS, could shift to pay TV if Aereo prevails.

The leagues noted that they get a $100 million cut of the $300 million in compulsory copyright-license fees MSOs pay to retransmit TV station content, and indirectly benefit from the billions in retrans fees broadcasters also get. Both of those models are threatened by an Aereo win, since cable could also use that model to avoid paying broadcasters, the leagues said.

The leagues said the 2nd U.S. Circuit Court of Appeals's conclusion that Aereo did not violate copyright laws by not paying for the TV signals it collects in an on-air antenna farm and delivers to subscribers "judicially empowers Aereo and similar services to destroy marketplace-negotiated exclusivity." Broadcasters had sought an injunction from the appeals court, and when that was denied, appealed to the Supreme Court.

The NFL pointed out that Aereo could theoretically create a free out-of-market package by delivering a suite of TV stations airing different games in their home markets. Aereo currently confines its service to in-market stations, but the leagues said the court decision does not preclude it from extending its reach.

"The court's intervention is now necessary to restore clarity and certainty in this area and to prevent the unraveling of a marketplace built upon the licensing of rights rather than the expropriation of such rights through technological chicanery," the leagues said.

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Viacom Ad Revenue Rises 10% in 4th Quarter

BY MIKE FARRELL

Ratings growth from a slate of new shows across its major cable networks helped lift domestic and international ad sales by double-digits at Viacom in the fiscal fourth quarter.

Overall revenue was up 9% to $3.65 billion at the parent of cable stalwarts MTV, BET and Comedy Central. Media Networks revenue rose 7% in the period to $2.46 billion, fueled by a 10% rise in domestic and international ad revenue and a 6% increase in affiliate-fee revenue.

In the period ended Sept. 30, ratings were up year-over-year at nearly every network in Viacom's portfolio, including Nickelodeon, MTV, Comedy Central, BET, Spike, CMT and Nick at Nite.

Philippe Dauman: Nick is "keeping its foot on the programming pedal."

Nickelodeon in particular showed new life in the quarter. After fears that online deals were eroding ratings, Nick reported its greatest year-over-year ratings improvement in 16 years.

On a conference call with analysts, CEO Philippe Dauman noted that shows like *Sam & Cat*, *The Haunted Hathaways* and others enjoyed strong ratings, but that the network has yet to feel the full impact of its new shows. He added that Nick "is keeping its foot on the programming pedal, aggressively green-lighting a diverse new slate of series, increasing the volume in its content pipeline and building for the future."

Adjusted operating income was up a strong 16%, driven by increases in the Media Networks and Filmed Entertainment businesses. Media Networks' adjusted operating income rose 11%, while Filmed Entertainment AOI was up 49%.

For the fiscal year, total revenue dipped 1% to $13.79 billion, mainly because of a $538 million decline in Filmed Entertainment revenue. Media Networks revenue rose 5% to $9.66 billion in the fiscal year, driven by a 10% increase in domestic affiliate fees and a 3% rise in domestic ad sales.

Adjusted operating income grew 1% for the fiscal year to $3.94 billion, driven by a $204 million increase at Media Networks.

MCN BRIEFS

Netflix Gets a Facelift

LOS GATOS, Calif. — Netflix is lavishing more attention to the lean-back experience in the form of an overhaul of its interface for televisions that extends more uniform, feature-rich capabilities to apps running on an array of TV-linked devices, including select Roku boxes, smart TVs, Blu-ray players, PlayStation consoles and the Xbox 360.

Netflix began to roll out the new TV UI last Wednesday (Nov. 13), and expects it to reach all of its initially supported devices within two weeks. The update will go to devices including PlayStation 3, PlayStation 4, Xbox 360, Roku 3, and new and future Smart TVs and Blu-ray players.

Dish Unifies App Features

ENGLEWOOD, Colo. — Dish Network is preparing to launch a new version of the Dish Anywhere app for Android devices, iPads and iPhones that will enable customers to transfer movies and TV shows for later offline viewing.

The addition of that feature will enable the Dish Anywhere app to support Dish's full set of live, recorded and on-demand programs when paired with the Hopper With Sling HD-DVR. Dish expects to offer the updated app by the end of the year.

Currently Dish offers two different apps for remote viewing — Dish Anywhere and Hopper Transfers. The update will unify the features on the same app.

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Drew Sidora (l.), Niatia "Lil Mama" Kirkland and and Keke Palmer went back to the '90s in *CrazySexyCool: The TLC Story*.

CHANNELING BIOGRAPHIES

WHY BIOPICS ARE DRAWING HISTORICALLY HIGH AUDIENCES

BY R. THOMAS UMSTEAD

The hottest cable-TV genre at the moment is one that can be found in a quiet section of the public library: biography.

National Geographic Channel's Nov. 10 original movie premiere *Killing Kennedy* — the latest in a string of biographical cable movies and miniseries to capture audience attention — drew a network record 3.4 million viewers. And VH1's *CrazySexyCool: The TLC Story* drew 4.5 million viewers for its Oct. 21 premiere, the biggest audience for a non-kids-targeted original cable movie this year.

TAKEAWAY

Biographical films are gaining traction among basic-cable viewers, with more history-based projects on the way.

Nearly half of the 10 most-watched movies this year have been profiles of celebrities or historical figures that had been mostly confined to grade-school textbooks or YouTube clips. And with other major projects already lined up — including the Dec. 8 premiere of Lifetime's *Bonnie & Clyde*, as well as National Geographic Channel's *Killing Jesus*, Lifetime's *The Gabby Douglas Story* and History's *Houdini*, all set for next year — cable will continue to feed viewers' appetites for biography.

The purveyors of today's successful biopics say the movies satisfy viewers' curiosity about the past by presenting history in a contemporary fashion that often touches upon the issues and situations that society faces today.

"We live in a very uncertain time, but when you go back and look at stories of historical figures, there is a refreshing sense and reminder of a simpler time when heroes were heroes and bad guys were bad guys," National Geographic Channels president Howard Owens said. "From an entertainment perspective, it's good for the audience to latch onto ... it's not complicated and it allows you to go back and think about times when things were simpler."

Rob Lowe, the film star and '80s teenage heartthrob who plays the title role in *Killing Kennedy*, told *Multichannel News* the appeal stems from the fact that the stories are true. "[Biopics] allow us to connect with our past," Lowe said. "You don't make this stuff up."

While biographical films have been in the programming mix since the advent of original cable programming, the genre over the past 18 months has experienced major ratings gains — and snared major TV-industry awards — as more cable networks look to history and fame as fodder for stories.

HBO's *Behind the Candelabra*, which depicted the life of flamboyant pianist Liberace, won three Primetime Emmy Awards this past September, the most of any cable or broadcast program. And History's 2012 *Hatfields & McCoys* set a cable viewership record for a miniseries, averaging more than 12 million viewers for its three-day run that May.

Interest in the milestone anniversaries of several historic events has, in part, spurred the recent interest in biographical projects. Lifetime's *Betty & Coretta*, which profiled the lives of civil-rights leaders Betty Shabazz and Coretta Scott King, drew 2.2 million viewers in the wake of the 50th anniversary of the March on Washington. *Killing Kennedy*'s record ratings grab happened more than week before the 50th anniversary of John F. Kennedy's assassination.

"When you look at the entire landscape of these films. I think the audience is craving for a deeper storytelling experience," VH1 president Tom Calderone said. *CrazySexyCool: The TLC Story* drew VH1's biggest audience this year.

"Whether it's *Killing Kennedy* or *TLC*, they are part of some very watershed and lightning-rod moments, whether it's historical or comfort programming in which the subject aligns with periods in people's lives," Calderone added.

The biopics are also introducing iconic figures to a new generation of viewers who may know the names, but not the stories behind them, History executive vice president and general manager Dirk Hoogstra said.

Agnes Bruckner portrays the late supermodel in Lifetime's *Anna Nicole*.

Rob Lowe (c.) stars as President John F. Kennedy in National Geographic Channel's *Killing Kennedy*.

"Something like *Hatfields & McCoys* has household recognition, but nobody knows why — it's something that you grew up with and you heard about in Bugs Bunny cartoons, but nobody knew about the characters," he said. "We were able to identify something that was big and iconic, but nobody knew the real story, and audiences really wanted to know the real story."

Movies such as *Killing Kennedy*, which takes a unique look at the JFK assassination by following both the president and his killer, Lee Harvey Oswald, in the days leading up to the shooting, provides an entertaining vehicle for learning a little history, Owens said.

"If you're a 30-year-old kid who wants to learn about the 50th anniversary of the assassination of JFK and about JFK the man, you are hearing this in a way that's digestible and you can learn a lot from it," he said. "We think it taps into the audience that really loves Kennedy, and, on another level, it's appealing because it focuses on the facts and also has a great cast."

Indeed, high-powered talent has been another audience draw for the recent mix of biographical original movies and miniseries. From Academy Award winners Michael Douglas (*Behind the Candelabra*), Kevin Costner (*Hatfields & McCoys*) and Angela Bassett (*Betty & Coretta*), to Lindsay Lohan (*Liz & Dick*) and Grammy-nominated singer Jewel (Lifetime's *Ring of Fire*), celebrities say playing another famous personality is as rewarding as it is challenging.

"I've always felt a connection to [Kennedy], maybe because I was born a few months after he died and was sort of born into the sadness, the sort of loss that the country felt," Lowe said of his portrayal of John F. Kennedy. "I had certain benchmarks I had to meet, since people know how he spoke, they know he dressed a certain way or wore his hair in a certain way. But I could have gotten all of that right and still been awful if I was trying to portray a hero and not a man."

Emile Hirsch, who plays Clyde Barrow in *Bonnie & Clyde*, added that he was drawn to the myth of the 1930s bank robber.

"I wanted to learn as much as I could about Clyde to make my interpretation of him feel authentic to people who know the history," he said. "I didn't want to sugarcoat him or Hollywood him up — I was much more interested in the tragic, tormented soul that he was who was alternately crazy, controlling, sociopathic, but above all hopelessly in love with Bonnie Parker."

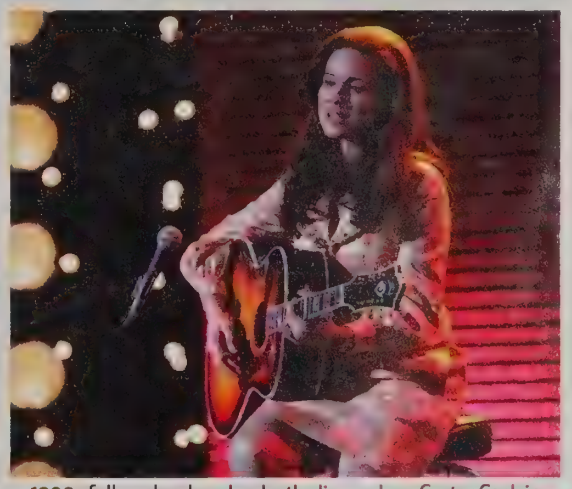
Actors are drawn to the idea of holding their performance up against an extraordinary real-life person, Lifetime executive vice president and general manager Rob Sharenow said, and that benefits both actor and project. "It really helps define your legacy as a performer if you really nail it," he said.

Bonnie & Clyde will air Dec. 8, simulcast on sister services A&E and History.

Female-targeted Lifetime in particular has had success with mining the genre. With *Betty & Coretta*, *Anna Nicole* and *Ring of Fire* — based on the life of country music star June Carter Cash — the network had three of this year's top 25 most-watched movies. Theatrical studios have all but abandoned the genre, he added, leaving audiences looking for such movies on the small screen.

"Viewers love to hear true stories and they like stories of extraordinary people, but the movie studios are focusing on big comic-book franchises and genre comedies," he said. "A lot of the movies that we're doing, like *Bonnie & Clyde* and *House of Versace*, have large audiences that aren't being served by the theatrical world."

Biographical movies don't need a history-class flavor to be successful, as evidenced by VH1's *CrazySexyCool: The TLC Story*, about the lives of the 1990s R&B trio.



1990s folk rocker Jewel waks the line as June Carter Cash in Lifetime's *Ring of Fire*.

While contemporary celebrities have big appeal to younger viewers, VH1's Calderone said it can be difficult to make a film that maintains the mystique of a celebrity in the Internet era.

"You have to make sure you're dealing with topics that weren't necessarily exploited in the tabloids or in a video form; you don't want your audience saying 'I've seen this before,'" he said, adding that VH1 is planning as many as five biopics over the next year, although he would not disclose specifics.

Actress Drew Sidora, who played TLC's Tionne "T-Boz" Watkins in *CrazySexyCool*, added that succesful biopics both entertain today's audiences and are relevant to younger viewers looking to learn more about their heroes or idols.

"These bio-based films are really time pieces and it gives people a snapshot of history — for some, it is a new story and for others, they are revisiting a story from their era," she said.

HBO Looks to Finish Strong With Pacquiao-Rios on PPV

NOV. 23 FIGHT CARD WRAPS UP A SUCCESSFUL YEAR

PAUL BERNALDEZ/AFP/GETTY IMAGES

Manny Pacquiao trains with coach Freddie Roach in the Phillipines for his Nov. 23 pay-per-view bout against Brandon Rios.

BY R. THOMAS UMSTEAD

HBO will look to close out a successful year for the pay-per-view boxing category this Saturday (Nov. 23) with its Manny Pacquiao-Brandon Rios event from China.

TAKEAWAY

HBO hopes its Nov. 23 event involving PPV draw Manny Pacquiao will close out a strong year for the category.

The bout, to retail for a suggested $59.95 for a standard-definition feed and $69.95 in high-definition, will feature Pacquiao in a must-win fight against tough, young contender Rios. Pacquiao, once the industry's pound-for-pound PPV champion, has lost two of his last big events, including a spectacular one-punch knockout loss to Juan Manuel Marquez last November.

While the Pacquiao-Marquez and the June 2012 Pacquiao-Bradley fights averaged 1 million buys each, it's unclear whether the former champion still has enough juice to reach PPV boxing's gold standard.

HBO PPV senior vice president Mark Taffet said Pacquiao's PPV prowess — 17 events generating more than 11 million buys — should continue through this fight. "Manny Pacquiao is a proven pay-per-view superstar, and we believe this high-stakes welterweight fight has unique appeal and is a great event for both the fans and the industry," he said. "We are very excited about the Pacquiao-Rios fight on HBO PPV."

If Pacquiao-Rios approaches 1 million buys, that should be enough for the boxing category to match or surpass the nearly 4 million buys generated by the category in 2012. Showtime's Sept. 14 Floyd Mayweather-Canelo Alvarez bout generated more than 2.2 million buys while Mayweather-Guerrero pulled in 1 million buys. HBO's Oct 12 Timothy Bradley-Marquez fight generated approximately 350,000 buys according to industry observers.

The category, though, lost a potentially lucrative December PPV fight card when Showtime moved its Dec. 14 Adrian Broner-Marcos Maidana welterweight championship fight from PPV to the premium channel.

Showtime executive vice president Stephen Espinoza said the network — already concerned about putting a PPV fight on during the holiday season, just less than a month after HBO's Pacquiao-Rios contest — decided to shift the telecast after the Victor Ortiz-Alfonso Gomez undercard fight was cancelled due to an injury to Gomez.

"Our goal is to try to put as much programming on Showtime, as opposed to PPV," he said. "We knew all along that December is a challenging time of the year to do a PPV event, and when the Ortiz fight fell out it gave us an opportunity to reconsider what we were doing."

Espinoza said the move to Showtime will give boxing fans another opportunity to watch the up and coming welterweight champion Broner before he becomes a major PPV attraction.

"If Bronner-Maidana was any other time of the year, it definitely would have done at least 300,000 PPV buys, but because of the holidays and the fourth of four boxing PPVs, it didn't make sense at this point of the year. Ultimately it ended up a win-win for everybody, particularly the network when you look at how well Adrian rates on Showtime."

As for 2014, Espinoza said the network plans to offer Floyd Mayweather PPV fights on May 3 and Sept. 13.

Showtime also expects Alvarez to fight at least three times in 2014, the first of which will be March 8 on PPV, according to Espinoza.

REVIEW

Getting On

HBO, Sunday, Nov. 24, at 10 p.m.

★★★½☆ HBO's new dramedy *Getting On*, the latest effort by *Big Love* co-creators Mark V. Olsen and Will Scheffer, is a far cry in tone and subject matter from the popular polygamy-based series.

An adaptation of a U.K. series of the same name, the show stars Alex Borstein (*Family Guy*) as Nurse Dawn, a caring but socially challenged worker at the Billy Barnes Extended Care Unit of Mount Palms Hospital in Long Beach, Calif., handling elderly female patients.

It's clear from the first few minutes of the pilot that *Getting On* isn't going to rely on comedic interchanges between adorably funny geriatric patients and aloof practitioners. The opening scene shows Nurse Dawn comforting an elderly, comatose woman. The patient's sister made her a birthday cake, which we find out very quickly she'll never get a chance to enjoy.

As Dawn deals with the challenges of caring for patients, she's also caught in an internal power struggle between headstrong physician Dr. Jenna James (Laurie Metcalf, *Roseanne*) and supervising nurse Beverly Raymes (Telma Hopkins). Things come to a head when James and Raymes battle over the fate of human feces discovered on one of the patients' lounge chairs. James wants Dawn to bag it as a sample for her ongoing research studies, while Raymes wants it discarded and the chair sterilized.

The insuring faceoff leads to a climatic and humorous ending that changes the roles of both facilitators and quickly alters the landscape and the management hierarchy of the hospital. Having to adjust to the impending fallout are the remaining staff members, Dawn, Nurse DiDi (Niecy Nash, *Reno 911!*) and Nurse Patsy De La Serda (Mel Rodriguez, *Community*).

The series doesn't pull punches in depicting an underfunded, poorly run, bureaucracy-laden geriatric hospital ward, or the overworked staff tending to aging patients during what may well be the last days of their lives.

While the series is positioned as a comedy, you won't find many laugh-out-loud moments throughout the half-hour pilot. In fact the series' strength is in its dramatic overtones, despite a cast of well-known comedic actors.

Getting On is a deep dive into the often sad and emotionally draining realities of life in a geriatric ward. If you're looking for a smart, well-written, character-driven dark comedy that will grow on you, *Getting On* is a good choice.

— R. Thomas Umstead

AL JAZEERA AMERICA

Veteran TV journalist **Ray Suarez** has joined Al Jazeera America as host of daily program *Inside Story*. He was chief national correspondent for the *PBS NewsHour*.

DID YOU KNOW?

Ray Suarez is the author of *Latino Americans*, the companion book to the PBS series of the same name published last year.

BEIN SPORT

Antonio Briceño was promoted to deputy managing director of beIN SPORT for North America. He had been general manager of the Miami-based international sports network since its 2012 launch.

DISCOVERY

James Rosenstock was named president of Discovery Education International, responsible for overseeing the newly acquired Espresso Education business in London. He will continue in a dual role as executive VP, global corporate development.

GARVEY SCHUBERT BARER

Judy Endejan has joined Washington, D.C., law firm Garvey Schubert Barer as a West Coast-based attorney in its communications practice.

ICATHOLIC MEDIA

Father **Robert Reed** was named interim president and CEO of iCatholic Media in Boston, which oversees and coordinates cable network CatholicTV. He is director of the radio apostolate for the Roman Catholic Archdiocese of Boston.

NBCUNIVERSAL

Matt Schnaars was named senior vice president, TV networks distribution, at NBCUniversal. He comes from The Walt Disney Co., where he was VP, national accounts, in the Media Networks division.

BRICEÑO beIN SPORT

REED iCatholic Media

SCHNAARS NBCUniversal

PENNEY Starz

LOUGHNEY Turner

HLAVACEK Weather

STARZ

John B. Penney was elevated to Beverly Hills, Calif.-based chief strategy officer at Starz. He had been executive vice president, strategy and business development.

SUDDENLINK

Robert Daleo has joined Suddenlink Communications as vice president, sales and marketing in its Atlantic Region, including systems in West Virginia, Kentucky, Ohio and Virginia. He had been director of sales for Insight Communications in Louisville, Ky.

DID YOU KNOW?

In 2008, Robert Daleo received the CTAM Southern California Platinum Palm award for his work at Time Warner Cable in Los Angeles.

SYFY

Bill McGoldrick has joined Syfy as executive vice president, original content. He was executive VP, original scripted programming at USA Network.

TURNER

Mark Loughney has joined Turner Broadcasting System as vice president, Animation, Young Adults and Kids Media (AYAKM) research, based in New York. He comes from the ABC Television Network, where he was VP, sales and stratgey research.

USA NETWORK

Jackie de Crinis was named executive vice president, original programming at USA Network.

WEATHER

The Weather Co. has named **Jeremy Hlavacek** to the new post of vice president, programmatic, responsible for all programmatic sales efforts and operations. He had been VP, operations and strategic partnerships on the WeatherFX team.

SUBMISSIONS: Send people and calendar items to Michael Demenchuk, *Multichannel News*, 28 E. 28th Street, 12th Floor, New York, N.Y. 10016 or via email to MCNPeople@nbmedia.com.

CALENDAR

NOV. 19

NewBay Media, Next TV Summit London, British Academy of Film and Television Arts, 195 Picadilly, London. Visit: *nexttvsummitlondon.com*.

DEC. 5

Multichannel News/Broadcasting & Cable, The Business of Multiplatform TV, Roosevelt Hotel, 45 E. 45th St. New York. Contact: Rebecca Shottland, (917) 281-4782 or rshottland@nbmedia.com

JAN. 7-10, 2014

2014 International CES, Las Vegas Convention Center, 3150 Paradise Rd., Las Vegas. Visit: *cesweb.com*.

FEB. 4

Multichannel News/B&C, 2014 Multicultural TV Summit & Leadership Awards, 8 a.m.-2:30 p.m., Grand Hyatt, 109 E. 42nd St., New York. Contact: Jennifer Ware, (917) 281-4718 or jware@nbmedia.com.

FEB. 17-18

Krewe of Louisiana Cable Show, Hotel Monteleone, 214 Royal St., New Orleans. Contact: (225) 387-5960.

FEB. 27

Multichannel News and *Broadcasting & Cable*, Advanced Advertising, Grand Hyatt, 109 E. 42nd St., New York. Contact: Rebecca Shottland, (917) 281-4782 or rshottland@nbmedia.com.

MARCH 2-5

CabeLabs Winter Conference, Atlanta, Ga. For more information, visit: www.cablelabs.com.

MARCH 12-14

2014 Cable Congress, RAI, Amsterdam. For more information, visit: *cablecongress.com*.

MARCH 26

T. Howard Foundation, Diversity Awards Dinner, Cipriani Wall Street, New York. Contact: (301) 588-6767 or inquiry@thoward.org.

APRIL 1-3, 2014

American Cable Association, ACA's 21st Annual Summit, Grand Hyatt, Washington. For more information, visit: *www.acasummit.org*.

For more *Multichannel News* events, visit *multichannel.com/events*.

THE LEADING EVENTS FOR TELEVISION'S LEADERS

2014

B&C BROADCASTING & CABLE

Multichannel NEWS

TVTechnology

EVENT	DATE	LOCATION
JANUARY		
NATPE Legacy Awards	January 27	Miami
FEBRUARY		
Multicultural TV Summit and Awards	February 4	NYC
Advanced Advertising	February 27	NYC
MARCH		
Technology Leadership Summit East	March 3-5	Fort Lauderdale
Next TV Summit	March 18-19	NYC
Wonder Women	March 26	NYC
APRIL		
NAB Technology Leadership Awards	April 7	Las Vegas
Women of New York	April 24	NYC
Multicultural TV Breakfast at The Cable Show	April 30	L.A.
MAY		
Peabody Awards	May 19	L.A.
Technology Leadership Summit West	May 19-21	Burbank, CA
On Demand Summit	May 22	NYC
Next TV Summit	May (TBD)	London
JUNE		
The Business of Multiplatform TV	June 11	NYC
The Business of Live Television	June 12	NYC
Next TV Summit	June 24	L.A.
Sports Technology Summit	June 24-25	Charlotte

Events are subject to change.

EVENT	DATE	LOCATION
SEPTEMBER		
Next TV Summit	September (TBD)	San Francisco
OCTOBER		
Hispanic TV Summit	October 2	NYC
News Technology Summit	October 7-9	TBD
B&C Hall of Fame	October 20	NYC
NYC Television Week	October 20-25	NYC
NOVEMBER		
Advanced Advertising	November (TBD)	NYC
DECEMBER		
Next TV Awards and Next TV International (In the U.S.)	December (TBD)	TBD
The Business of Multiplatform TV	December (TBD)	NYC

Mark your calendar now for these premier industry events.

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Jennifer Ware: 917-281-4718, jware@nbmedia.com

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50th Anniversary

From Tupelo to 30 Rock

COMCAST MARKS A HALF-CENTURY OF GROWTH, INNOVATION

BY K.C. NEEL

Comcast may be celebrating its 50th anniversary this month, but chairman and CEO Brian Roberts isn't spending a lot of time looking back. He's much more interested in trying to figure out what's in store for the company his dad, Ralph Roberts, built up over half a century.

In fact, the company's new slogan — "Welcome to What's Next" — embodies Brian Roberts's attitude about moving forward.

"It's a phrase that is constantly on my mind," Roberts told *Multichannel News* earlier this fall. "Where do we go from here? We are growing in so many different ways and the opportunities are tremendous and lots of fun."

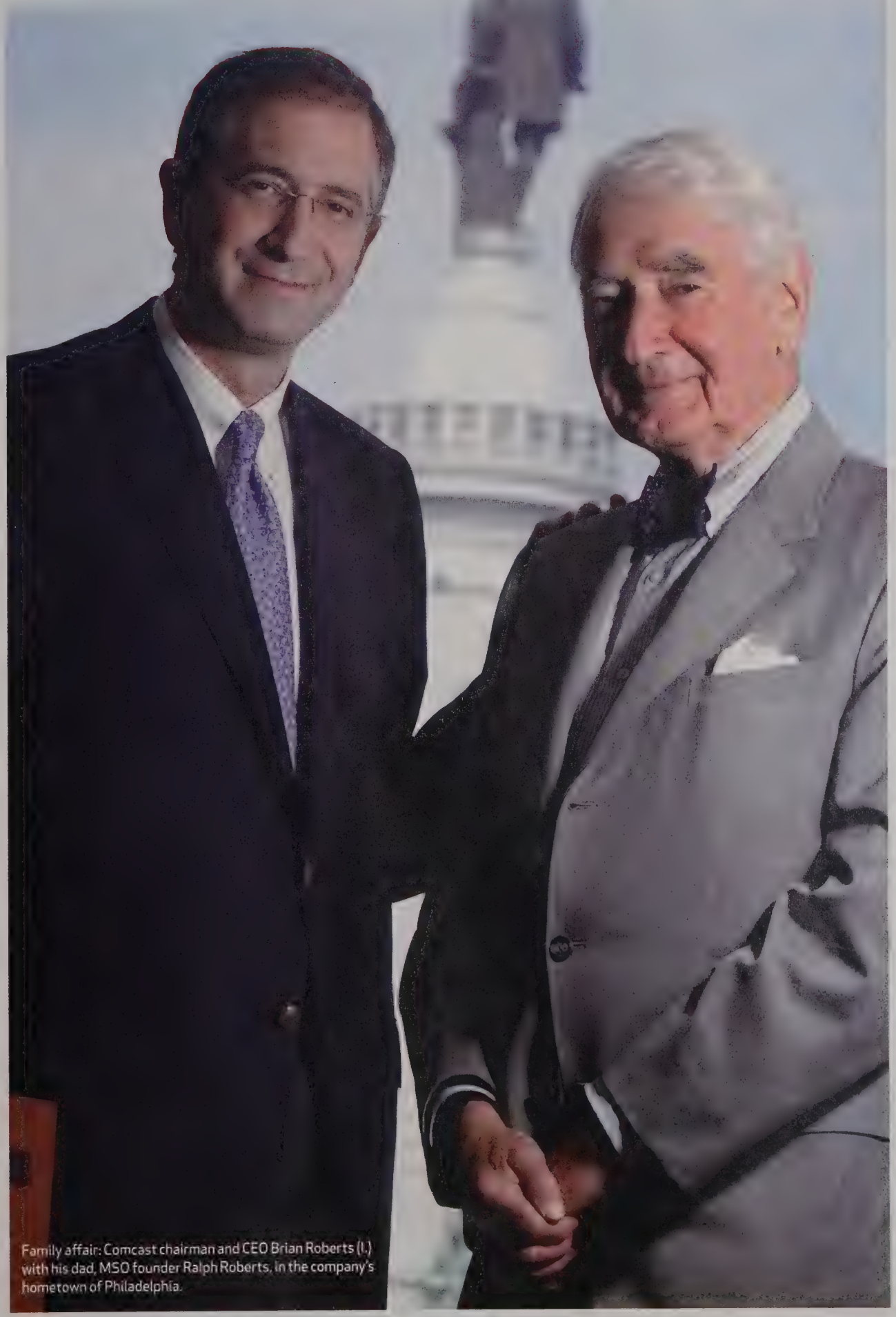
JOURNEY FROM TUPELO

Founder Ralph Roberts, Julian Brodsky and Dan Aaron embarked on a journey in the fall of 1963 that would turn one small cable system in Elvis Presley's hometown of Tupelo, Miss., into one of the world's largest and most successful media conglomerates. The three men had different personalities and skill sets, but together they built a terrific car.

Indeed, in his 2001 memoir, *Take the Measure of the Man*, co-written by David A. Long (Veritas Press), Aaron said Brodsky was always stepping on the gas; Aaron was always pounding on the brakes; and Roberts was calmly steering the wheel. It sounds chaotic, and even a bit dangerous, but it worked.

Ralph Roberts always had a vision that was bigger than his company at the time. "When we only had five or six employees, he was always drawing up tables of organization with 30 or 40 people," Aaron wrote in his book. "When he had 30 or 40 people, he was making organizational charts for 100 people. He was always looking at the future."

Roberts's son, Brian, who is now at the wheel, has the same proclivities. The car his dad drove has been supercharged and Roberts has assembled a strong pit team that makes sure its engine runs smoothly at breakneck speeds. He is always thinking about what's around the next bend in the road and is not shy when it comes to taking risks.



Family affair: Comcast chairman and CEO Brian Roberts (l.) with his dad, MSO founder Ralph Roberts, in the company's hometown of Philadelphia.

NCTA PHOTO

Comcast chairman and CEO Brian Roberts describes the company's new "X2" platform at The Cable Show in Washington, D.C., earlier this year.

The younger Roberts was at the helm in 2001, when Comcast outwitted several well-heeled competitors to acquire AT&T Broadband, and in 2009, when he bargained for a controlling interest in NBCUniversal.

Comcast has become a leading adopter and developer of new technologies that afford customers more ways to use its network or consume more of its content. "We change every day, and we take what's working and keep improving it," Brian Roberts said. "The key to success is to continue taking chances or risk getting run over."

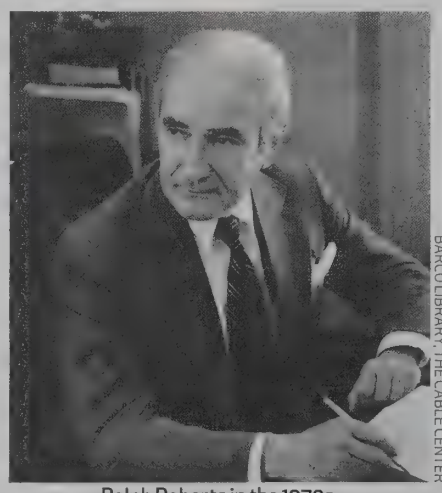
ENTERING GENERATION X1

The younger Roberts's latest gambit is more of a technology play than a big business deal, but it is no less strategic. Comcast's X1 platform could transform the cable industry, giving operators a standards-based, upgradable platform to launch the industry's next generation of products and services. It expects to have the technology available in all its markets by the end of the year.

Comcast is now also talking to other operators about licensing the X1 technology, a move executives believe will better prepare cable to compete against its telephone and satellite rivals. Brian Roberts is also a big believer in cloud technology, a key piece of X1.

"Our video business is really exciting," he said. "I believe you'll see more innovation in the next five years than we've seen in the last 50. Most of the innovation will be on our X1 platform, and it will be great for customers."

Roberts may see good things down the road for Comcast (this year's *Multichannel News* Operator of the Year), but the company has had a pretty good run leading up to tomorrow's opportunities. Cable revenue has grown an average of 6% per quarter for the past 10 periods, as its publicly traded peers struggled to eke out an average of 4.7% growth over that span. At the same time, Comcast has averaged 6.8% operating cash-flow growth over the period, compared to an average of 1.17% for the other publicly traded MSOs.



BARCO LIBRARY, THE CABLE CENTER

Ralph Roberts in the 1970s.

The company has trimmed its video subscriber rolls, although it missed analysts' targets in the third quarter. It has been a leader in telephony, adding 372,000 new voice customers this year alone. That also holds true for high-speed data, as Comcast has signed up some 620,000 cable-modem customers this year.

Comcast went public on June 30, 1972, at $7 a share and the stock has had quite a run. According to Brodsky, the company's retired vice chairman, 1,000 of those $7 shares would be worth more than $6.5 million today.

Shares of the company's stock traded at lifetime highs and the stock has rallied 29% in 2013, outperforming the rise in the Standard & Poor's 500 Index during the same period. Comcast's Class-A shares closed Nov. 11 at $47.35, close to its 52-week high of $48.90 earlier this year.

VALUATION MILESTONE

The company is currently valued at $100 billion, according to *The Philadelphia Inquirer.* Comcast processes more than 1 million job applications a year and is currently home to more than 129,000 full- and part-time employees.

It's difficult to create a family environment in an enterprise of that size, but Brian Roberts and his lieutenants work hard to make sure people have positive career opportunities from day one through retirement. The company routinely rotates staffers to different departments so they can receive a well-rounded base of knowledge about the business.

When Comcast took over NBCUniversal two years ago, then-chief operating officer Steve Burke (now CEO of NBCU) met with NBCU staffers in a Town Hall and talked up the potential of combining NBCU content with Comcast's distribution and technology assets. He predicted in a chat with *NBC Nightly News* anchor Brian Williams that it would soon be clear Comcast is "a company people are glad to be a part of."

Comcast's foundation is based on video subscribers, and a lot of attention is still paid to how many customers are gained or lost each quarter. But video is beginning to take a back seat to other parts of the business.

Brian Roberts is convinced that in the not-too-distant future, Comcast will have more broadband subscribers than video customers. He's happy with the cable unit's financial performance and technological advancements, but wants to see improvements in customer service.

"We are incredibly focused on continuing to improve the customer experience. It is our No. 1 priority," he said.

Ralph Roberts has been asked many times if he envisioned Comcast morphing into the behemoth it has become today.

"If you had told me 50 years ago that Comcast would grow into the company it is today, I wouldn't have believed it," the MSO's founder replied.

"In 1963, it was just a wonderful idea," Roberts continued. "And now, I am so proud of the company we have become, and grateful to the many, many people who helped us grow along the way. I think Comcast is an example of what you can do when you put your nose to the grindstone, take some smart risks, and work with incredibly wonderful people. I can't wait to see what happens next."

GREAT MENTORS

Brian Roberts is grateful for the mentoring he received throughout his career and for the close relationship he has managed to maintain with his dad. The duo has been so successful that business colleges all across the country use Comcast as a model for succession planning and execution.

"I am the lucky beneficiary of my father Ralph Roberts, and Julian Brodsky and Dan Aaron, who wanted to see me succeed above all else," the younger Roberts said. "It's hard to express what their confidence and mentoring really meant to me. It allowed me to take risks. I was nurtured and empowered rather than squashed.

"My father wanted Comcast to grow and become an IBM," he added. "Julian wanted financial integrity for the company and Dan had the heart of the employees and customers. Those ingredients gave the company and me an amazing launch pad."

Multichannel News celebrates Comcast's 50th anniversary with a look back at the company's progression and expansion from a small, independently owned cable company run by three smart guys, each with different skill sets, into the multimedia powerhouse it is today. O

Congratulations
COMCAST
on 50 years of
innovation and success

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HBO®

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THE EARLY DAYS: THE 1960s

Ralph Roberts wasn't exactly looking to get into cable television after he sold his suspender-and-belt business in the early 1960s. But a chance meeting on the street with Dan Aaron and Pete Musser resulted in what would become one of the world's largest entertainment conglomerates.

> A new CATV group composed of Philadelphia investors and known as **American Cable System, Inc.** has purchased **Tupelo (Miss.) Community Antenna, Inc.** The new firm, headed by **Ralph Roberts,** has also taken over a franchise for West Point, Miss., and is supervising installation of a cable system in Laurel, Miss., for the Lancaster Corporation. **Frank G. Haley** will continue managing the Tupelo system, while supervising other operations as a vice-president of American Cable.
>
> **TV & COMMUNICATIONS**

A 1964 article in *TV & Communications* announces the formation of the company that would become Comcast.

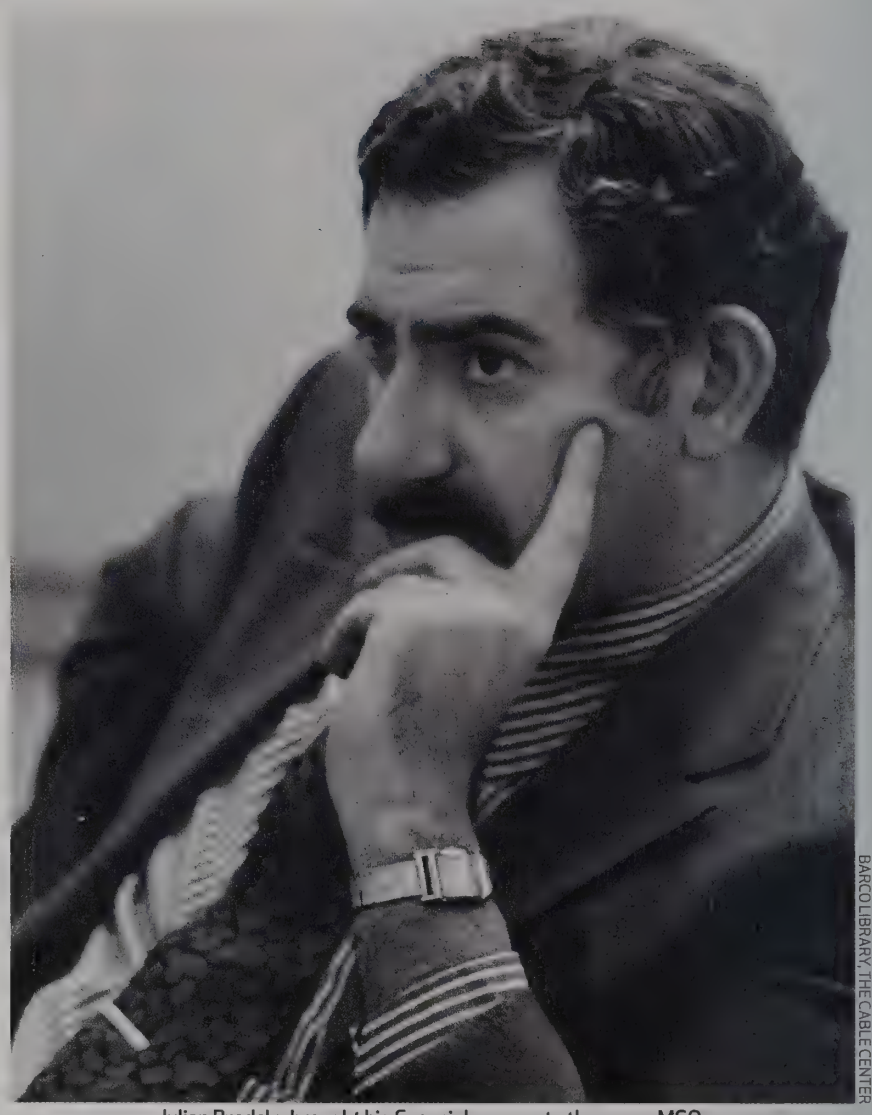
Aaron had just left Jerrold Electronics to start his own cable-brokerage firm and Musser was his first client. But things weren't going gangbusters. Musser's Tupelo, Miss., system had only a few thousand customers and wasn't performing all that well. Aaron couldn't find a buyer.

One day, as the story goes according to Roberts's oral history with the Cable Center, Musser and Aaron saw Roberts walking down the street and Musser muttered to Aaron, "Here comes our fish. He just sold his business and he's got a lot of money." Roberts eventually agreed to buy the operation, called American Cable Systems, in the little Mississippi town he had never heard of, on the condition that Aaron would run it.

A 1960s-era cable antenna systm.

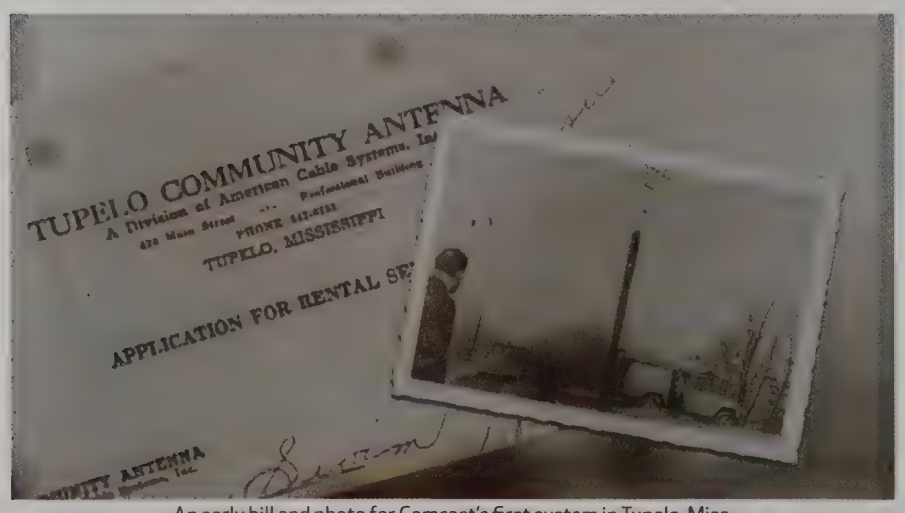
"I didn't know anything about cable," Roberts said in his oral history, conducted in 2000. "I didn't even know what it was."

Julian Brodsky was a young accountant who had helped Roberts sell his suspender company and continued to assist him with new investments — not because there was a lot to do, but because he simply liked the cool, calm, collected and charming Roberts. He quit his job with the accounting firm he was working for and announced to Roberts and Aaron they weren't embarking on their cable journey without him.

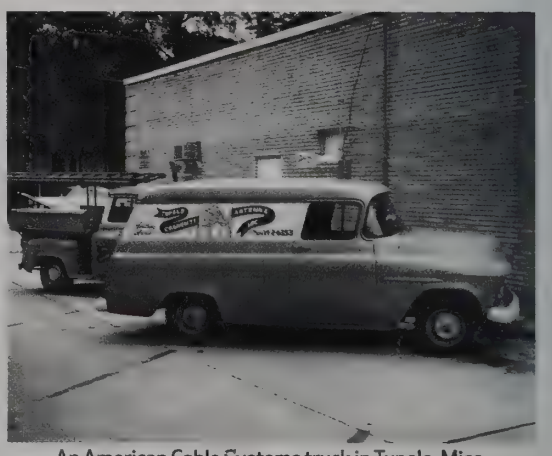


Julian Brodsky brought his financial acumen to the young MSO.

BARCO LIBRARY, THE CABLE CENTER



An early bill and photo for Comcast's first system in Tupelo, Miss.



An American Cable Systems truck in Tupelo, Miss.

The offices were already cramped and there wasn't room for one more person, much less a 6-foot-four, 200-plus-pounds guy with a booming baritone voice. But that didn't stop Brodsky, who promptly brought in a card table from home and set up shop.

The trio soon bought more systems and secured additional franchises. In 1969, Roberts and his partners renamed the cable operations Comcast and the company incorporated in Pennsylvania. It was game on for three guys with totally different personalities and operating styles that, when mixed together, made a formidable team. ○

Congratulations Comcast
on this extraordinary milestone.

CBS CORPORATION

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BREAKING NEW GROUND: THE 1970s

As Comcast expanded its footprint in the South and in Roberts's home state of Pennsylvania in the early 1970s, it chose to build cable systems with state-of-the-art technology that would deliver 12 channels of service.

That all sounded great until executives realized they needed to fill all that space with something. Necessity is always the mother of invention and the Comcast crew knew they had to get creative. Comcast fashioned a news channel of sorts that consisted putting a camera on an Associated Press news ticker. Bubba, the goldfish, was the star of the Meridian, Miss., meditation channel and an early version of The Weather Channel aimed another camera at a bunch of weather instruments.

By 1971, co-founders Ralph Roberts, Julian Brodsky and Daniel Aaron were ready for primetime. The company went public with shares opening on June 30, 1972, at $7. It's been quite a run: 1,000 of those $7 shares would be worth more than $6.5 million today, Brodsky told *Multichannel News*.

"The secret sauce to our longevity and existence from day one was the Class-B super-voting shares," which enabled Roberts to maintain control of the company, Brodsky said. "Those shares are very powerful and because of that structure, management could think long-term rather than quarter-to-quarter.

"And because we were bulletproof, no one could buy us," he recalled. "It was inevitable that we would be the last company standing."

BARCLI LIBRARY, THE CABLE CENTER

Ralph Roberts (bottom l.) receives a $2.7 million check from Keen Butcher of underwriting firm Butcher & Sherred — proceeds from Comcast's 1972 initial public offering — as Dan Aaron (top. l.) and Julian Brodsky look on.

Brian Roberts, Ralph's son, took his first Comcast job as a cable installer in 1976.

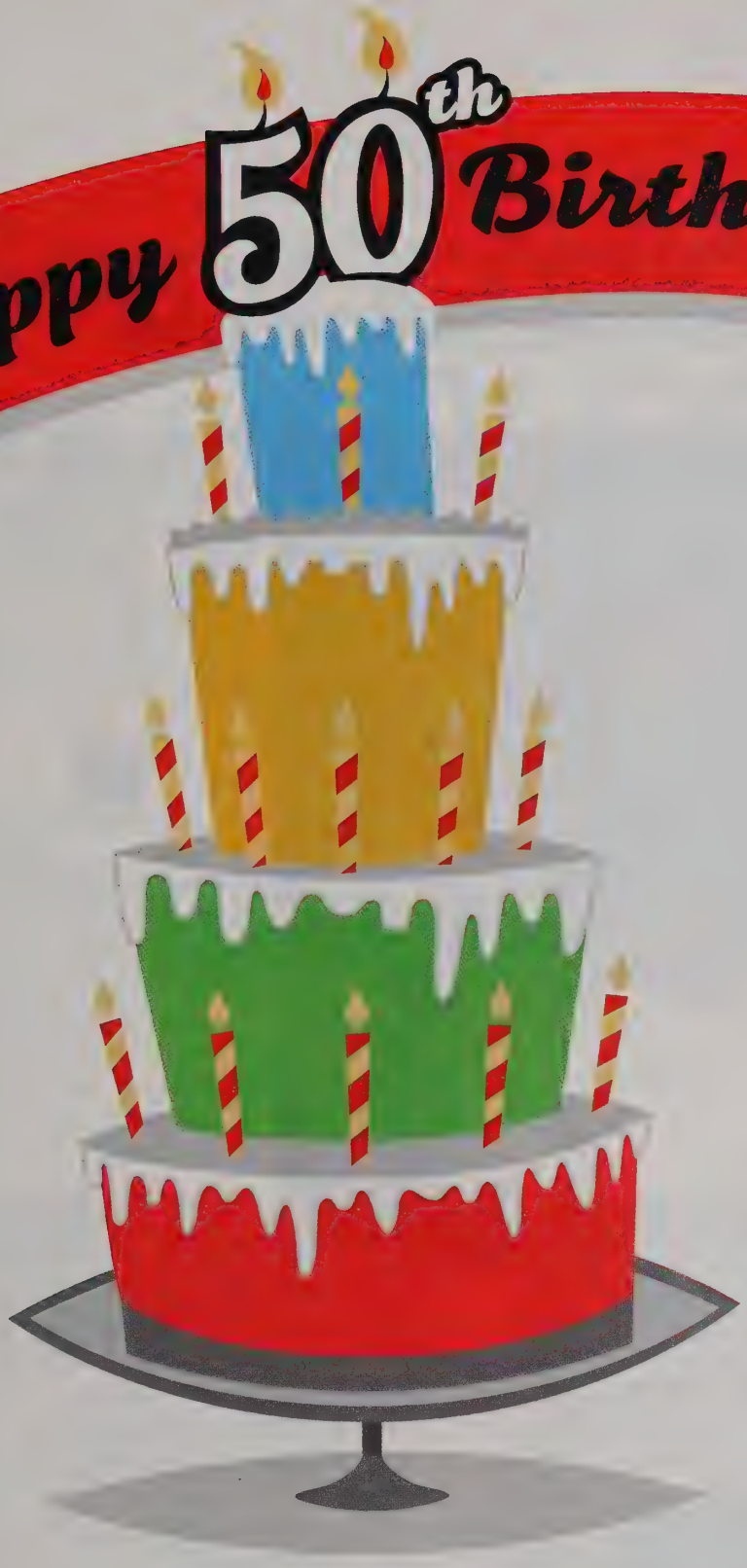
With its new public currency and Brodsky's creative and lucrative financial acumen, Comcast continued to expand its footprint. The company focused on smaller communities like Flint, Mich., choosing to eschew larger, more urban areas. It wasn't that the partners didn't like cities, but smaller communities were a better bet: Fewer TV options and often poor TV reception meant eager, truck-chasing consumers.

That attitude would change over the next several years as satellite-delivered programming became more prevalent. Comcast launched HBO for the first time in 1977 to 20,000 customers in Western Pennsylvania with a free five-night preview. After the preview period, more than 3,000 customers ordered the service. It wasn't hard to see where the business was headed and that meant vying for urban customers was a more viable business proposition.

Ralph Roberts had five kids but it was his youngest, Brian, who was always engaged in dinnertime talk about the cable business. He announced early on his intention to work in the family biz.

In 1976, Brian Roberts got his first cable gig as an installer at Comcast's Westmoreland, Pa., cable system, where he learned how to install cable in homes, handle service calls and climb poles. ○

Happy 50th Birthday, Comcast!



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Congratulations, Comcast, on 50 great years!

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GROWING IN EVERY DIRECTION: THE 1980s

Deregulation of the cable industry in 1984 was a big boon for Comcast. The company's whirl of expansion activity helped it grow from the 20th-largest MSO at the beginning of the decade, with 200,000 subscribers, to more than 2 million subscribers 10 years later.

Indeed, Comcast was launching a new system every six months between 1977 and 1984, according to Brodsky.

But the first mega-deal didn't come until 1985, when Merrill Lynch teamed up with Comcast to buy Storer Communications. The crew at Merrill was familiar with Brodsky and admired his financial acumen. Comcast was financially stable, its systems were well operated and its vision was long-term and expansive. The Wall Street investors knew a good bet when they saw one.

Comcast and Merrill Lynch lost the bidding war for Storer to Kohlberg, Kravis & Roberts, which agreed to pay $1.6 billion for Storer. But three years later, Storer was back on the block, selling for $2.8 billion to a consortium of Comcast, TCI and Knight Ridder. Comcast got about half of the customers.

Brian Roberts (l.), then a group vice president, and Robert H. Fleischer in 1983.

MULTICHANNEL NEWS PROFILES

It's a Long Road From Tupelo, Mississippi

Comcast Cable Communications Inc.
Rank: 7
1 Belmont Ave., Bala Cynwyd, PA 19004
Robert B. Clasen, CEO

CACS DELIVERS . . .

Multichannel News profiled Comcast in 1989.

Comcast's daring move with Storer the first time around caught the attention of other industry players. A few weeks after losing Storer to KKR, Brodsky shared a taxi with Stewart Blair, a top aide to Tele-Communications Inc. president John Malone. TCI was the largest MSO at the time and Blair wanted Comcast to partner with TCI to buy Group W Cable, which counted 1.9 million customers.

Recalling the conversation to writer Tom Southwick in his book *Distant Signals*, Brodsky asked Blair why he wanted Comcast as a partner in the deal. "Because you're the last guy I want to see coming down the alley the other way on the deal," Blair told Brodsky.

Brodsky immediately called Roberts to relay the conversation. Roberts had his own interesting tale to tell. Nick Nicholas at Time Inc. inquired whether Comcast would be interested in joining up in a bid for Group W.

TCI, Time Inc. and Comcast ended up working together to buy Group W's cable operations for $1.7 billion. Each company got about 500,000 customers out of the deal.

Comcast was a big believer in programming, and in 1986 it made its first big investment in content, putting $380 million into home-shopping channel QVC. It would prove to be one of the company's most successful investments.

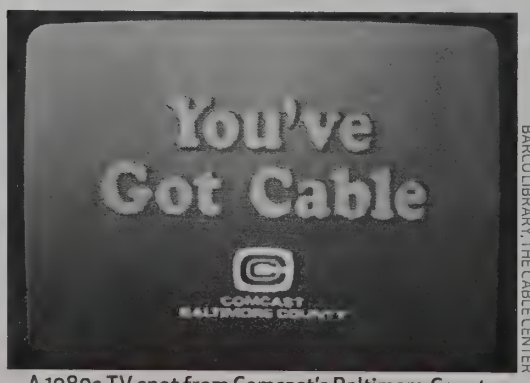
In 2003, Comcast sold its 57% stake in the home shopping company to Liberty Media for $7.9 billion.

Meanwhile, Brian Roberts was in the trenches learning the business from the ground up. He graduated in 1981 from the Wharton School at the University of Pennsylvania and joined Comcast as a trainee in the Trenton, N.J., system. He transferred to Flint, Mich., a year later, where he was responsible for marketing customer service and apartment building expansion. In 1983, he became the general manager of the Trenton system and in 1984, he moved to Philadelphia to serve as the corporate vice president of cable operations.

The younger Roberts joined the board of directors in 1988. ○

BARCO LIBRARY, THE CABLE CENTER

Julian Brodsky (l.), Ralph Roberts and Dan Aaron in Charleston, S.C., in 1985.



BARCO LIBRARY, THE CABLE CENTER

A 1980s TV spot from Comcast's Baltimore County, Md., system.

Some Iconic Families Are on TV, Other Iconic Families Bring Them to You

INSP Congratulates the Roberts Family and Comcast for 50 Years of Excellence.

insp

Welcome Home

insp.com/affiliates

TURMOIL AND TRIUMPH: THE 1990s

The last decade of the 20th century was a time of transition, turmoil and triumph for Comcast. In January of 1990, 31-year-old Brian Roberts took the reins as CEO. But the younger Roberts had only a year to settle into his new corner office when Comcast's headquarters in Philadelphia's One Meridian Plaza were badly damaged by fire.

Three firefighters died trying to put the blaze out. It took 10 days to get back up and running, according to Brodsky. By the start of the next decade, though, plans would be underway for the new, LEED-certified Comcast Center, which opened in 2005. Comcast has since expanded into the building next door with plans afoot to move into a third building.

The 1990s served up a frenzy of acquisition activity. Comcast bought Maclean Hunter (500,000 subscribers), Scripps Cable (800,000), Prime Cable (430,000) and Jones Intercable (1 million), as well as several smaller operations, eventually making Comcast the third-largest MSO.

The biggest gambit came in 1999 when Comcast tried to buy MediaOne Group for $60 billion. The deal fell through and AT&T Broadband ended up with the company. But Comcast walked away with a $1.5 billion consolation prize and Roberts bided his time before making an even bigger move a few years later.

Former Disney exec Steve Burke signed on in 1997.

Comcast also went on a buying binge of sorts, investing in Golf Channel and E! Entertainment Television. The company increased its stake in QVC and launched several regional sports networks around the country.

Meanwhile, the cable industry was getting its lunch handed to it by Congress, which voted to reregulate the industry in 1996 after a long history of pricing and customer-service abuses. Financing dried up; stock prices tumbled; and competition was growing. Long-time The Walt Disney Co. executive Steve Burke joined Comcast as chief operating officer in 1997 and his philosophies, strategies and attitude changed Comcast's corporate culture and its future.

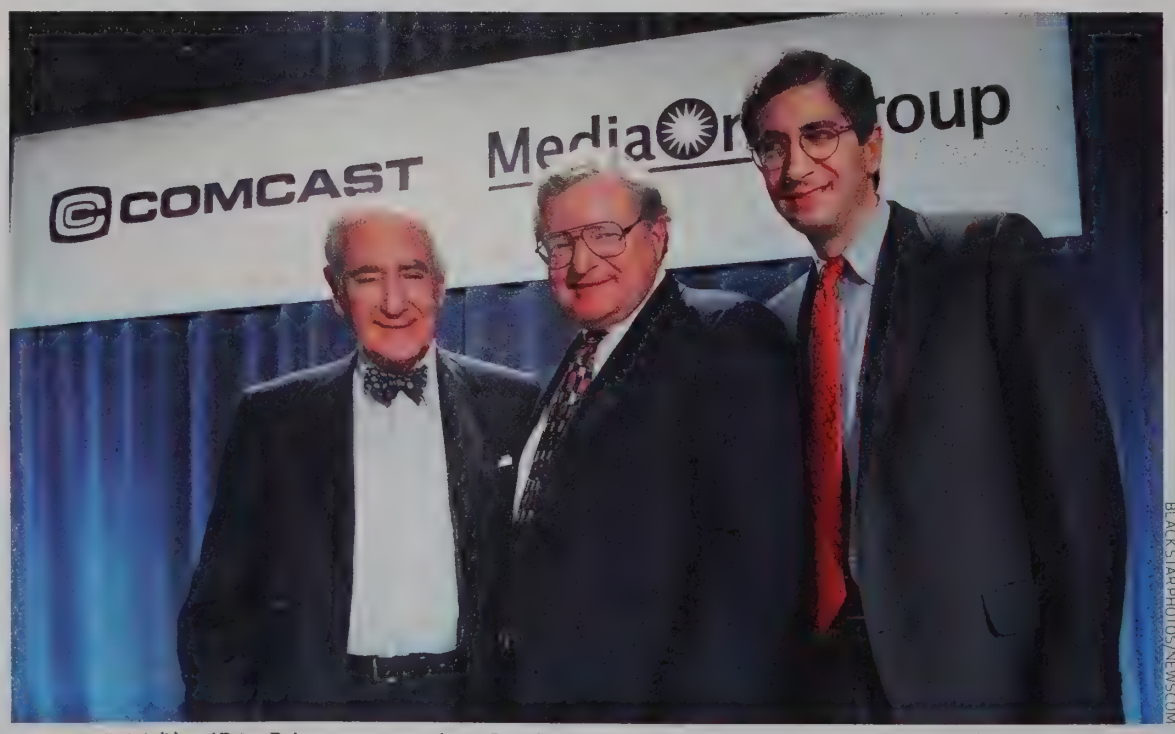
REUTERS/JEFF CHRISTIENSEN

Microsoft founder Bill Gates (l., with Brian and Ralph Roberts at The National Show in 2003) became a key Comcast ally in the 1990s.

"The cable guys were generally slow to implement technological upgrades," Brodsky said. "But Steve came in and said a defensive approach to doing business wouldn't work anymore and he said we needed to do upgrades as soon as possible. We needed to become a company with new products to offer. Brian agreed. And it worked. It was hard but it worked. We paid a short-term price for what it cost. But he was right."

Comcast launched its first broadband product, Comcast@Home, in 1996. A year later, the company launched its first digital-TV offering. The innovations — and with the urging of Brian Roberts during an off-handed conversation with Microsoft CEO Bill Gates during the annual Allen & Co. camp for media bigwigs — were enough to convince Microsoft to invest $1 billion in Comcast.

The investment was a financial shot in the arm at a time when stock prices were sagging and financing was all but nonexistent. It was also a strong vote of confidence from a very influential investor and it turned the tide not just for Comcast, but for the whole cable industry. O



BLACK STAR PHOTOS/NEWSCOM

Ralph (l.) and Brian Roberts announce their $60 million bid for MediaOne Group with CEO Chuck Lillis (c.) in 1999.

Cisco congratulates Comcast on their 50th Anniversary

cisco.com/go/cable

CISCO

FROM MSO TO MULTIMEDIA GIANT: THE 2000s

The new millennium saw Comcast transform from a cable company with some programming assets and a bent toward new technologies into one of the world's biggest media conglomerates.

Comcast continued its system buying spree, including swallowing up Lenfest Communications in 2000, Adelphia Communications (with Time Warner Cable) in 2005 and Patriot Media in 2007. But they all were dwarfed by Comcast's 2002 deal to merge with AT&T Broadband in a deal valued at $72 billion. The transaction made Comcast the biggest U.S. cable operator, with 22 million customers in 41 states including 17 of the top 20 TV markets in the U.S.

"That deal was a miracle," Brodsky said. "It was the fish swallowing the whale, and we did it our way. Brian stood his ground and we got what we wanted."

In sticking with Burke's strategy of rolling out new products, Comcast was now in a position to really control what was developed and deployed. High-speed data, telephony, high-definition TV, video-on-demand and other new technologies were methodically launched throughout the company's footprint in the ensuing years. At the same time, Comcast was making up for lost time in the programming arena by acquiring Outdoor Life Network, upping its stake in Golf Channel and E! and launching more regional sports networks.

Having digested AT&T Broadband, newly named Comcast chairman Brian Roberts and his team was ready to swallow another whale. The company made an unsolicited bid for The Walt Disney Co. in 2004.

NBC Nightly News anchor Brian Williams (l.) introduces Ralph Roberts and Steve Burke to NBCUniversal employees in a 2011 event at the NBC Studios in New York's Rockefeller Center.

Comcast's board had come to the conclusion that they could keep programming costs under better control if they owned content. But things didn't work out well for the boys from Philadelphia. Disney's board soundly rebuffed Comcast's offer. Brodsky characterized the botched effort "the most embarrassing moment in Comcast's history."

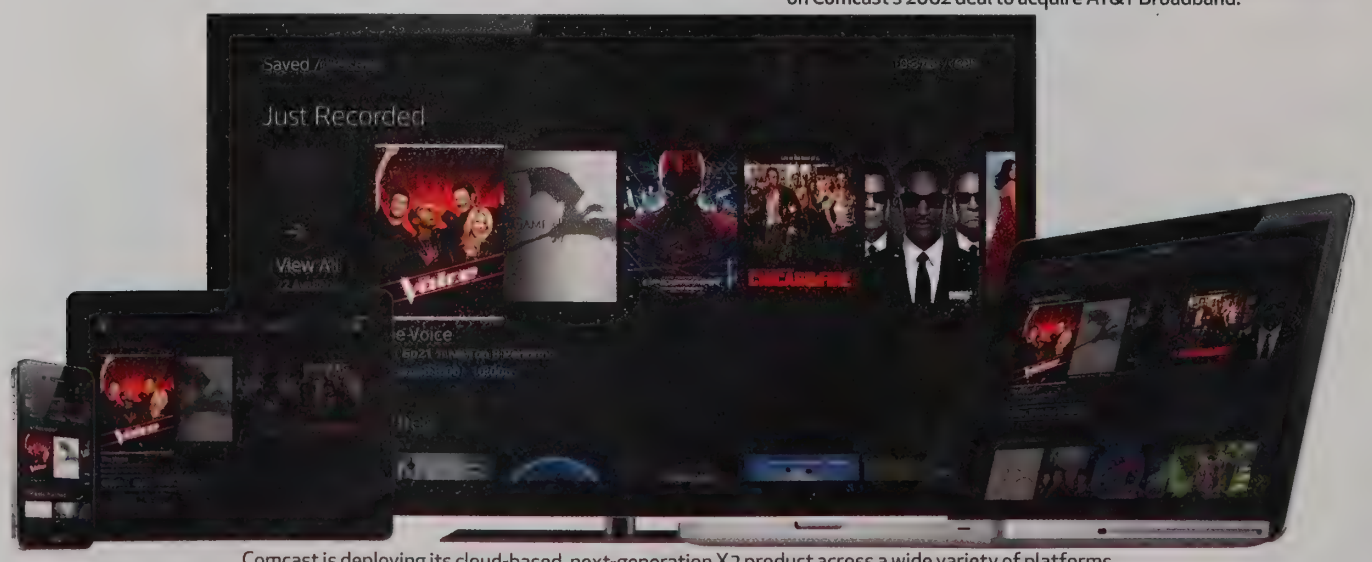
The Disney deal may have been a debacle, but it did not dissuade Brian Roberts from going after a bigger kettle of fish — and Comcast's most daring and expansive deal ever — five years later when it and General Electric agreed to a joint partnership to own NBCUniversal. The deal called for Comcast to own 51% of the venture, with GE holding the remaining 49%. Comcast had seven years to buy the rest of GE's stake in NBCU but earlier this year, the company bought GE's 49% stake outright for about $16.7 billion. (Comcast subsequently added NBC's iconic peacock to its corporate logo.)

In 2010, Burke became NBCU's CEO and has been hard at work revamping and reorganizing the company's broadcast and cable networks, making the media firm more efficient and profitable.

Brodsky credits the vision and verve of Brian Roberts with turning Comcast into the powerhouse it is today. Unlike his dad, who got into the cable business knowing nothing about it, the younger Roberts learned the industry from the ground up. He was mentored by some of the smartest minds in the cable business. And he's used that knowledge to take Comcast to new levels with the help of a cadre of well-respected and veteran executives.

"Brian has taken us places we couldn't have taken it," Brodsky said. "He has a tremendous management style and has assembled the best team imaginable. The sky is the limit." O

AT&T CEO C. Michael Armstrong (l.) shakes hands with Ralph and Brian Roberts on Comcast's 2002 deal to acquire AT&T Broadband.



Comcast is deploying its cloud-based, next-generation X2 product across a wide variety of platforms.

C-SPAN Congratulates Ralph Roberts

and the Comcast executives who have served
on the C-SPAN Board of Directors

BRIAN ROBERTS **STEVE BURKE**
TOM BAXTER **NEIL SMIT**

FIFTY YEARS

on your fifty years of innovation and service.

We are thankful for your support and proud of our long tradition of partnering with Comcast on educational and community events.

C-SPAN®
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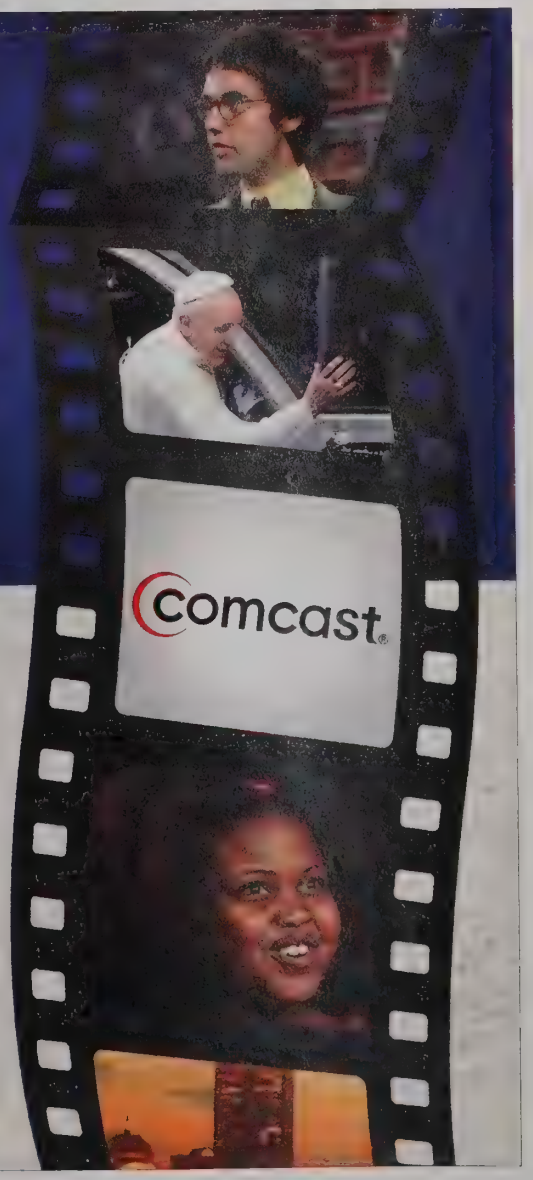

We are honored to be a programming partner.

CATHOLIC TV
CatholicTV.com

freeze frame

From l.: **Jimmy R.O. Smith** of NUVOtv's *A Step Away*; **Rick Ramirez**, Warner Bros. Pictures; **George Jones Jr.** and **Beau "Casper" Smart** of *A Step Away*; and **Craig Geller**, NUVOtv, at the network's cocktail reception at the ANA's Multicultural Marketing & Diversity Conference in Los Angeles.

BOBBY BLANK

At the Center for Communication's annual toast/roast luncheon in New York (l. to r.): **David Duchovny** of Showtime's *Californication*; honoree **Matt Blank**, chairman and CEO, Showtime Networks; **Abbe Raven**, chairwoman, A+E Networks; and **Josh Sapan**, CEO, AMC Networks.

At a Miami screening of Discovery Familia's Doki in Miami (l. to r.): **Michael Hargreaves**, Discovery Communications; **Patricio Uribasterra**, Dish Network; **Alma Molina**, Dish Latino; "Doki;" **Alejandro Rico** and **Shekina Bravo**, All Communications; and **Jessica Shorter**, Discovery Communications.

MARK DAVIS/USA NETWORK

Sofia Vergara (l.) and USA Network EVP, marketing and digital **Alexandra Shapiro** at the network's "Modern Family Appreciation Day" in Los Angeles.

SHAHAR AZRAN

At the NYC Wine & Food Festival's "Chicken Coupe" event (l. to r.): NY1 News anchor **Pat Kiernan**; **Jeffrey A. Hirsch**, Time Warner Cable; Food Network host **Sunny Anderson**; musician **John Legend**; actress/comedian **Whoopi Goldberg**; and **Mark Quinn**, Scripps Networks.

SUBMISSIONS: Send your most recent press photos, with an ID, contact name and telephone number, to: **Michael Demenchuk, *Multichannel News***, 28 E. 28th Street, 12th Floor, New York, N.Y. 10016. Send electronic images (4" X 6" at 300 dpi) via e-mail to: **mcnart@nbmedia.com**

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Pay Ball! Anti-Blackout Bill Introduced

McCAIN-BLUMENTHAL MEASURE WOULD LET PAY TV TELEVISE UNAVAILABLE GAMES

BY JOHN EGGERTON

WASHINGTON — The Washington Senators haven't played a game in decades, but two Washington senators went to bat last week for the Sports Fans Coalition effort to end TV sports blackouts, including use of the potential loss of must-have sports programming as a bargaining chip in retransmission-consent negotiations.

Sens. John McCain (R-Ariz.) and Richard Blumenthal (D-Conn.), already named MVPs (Most Valuable Policymakers) by the coalition for their opposition to blackouts, last week teamed on the Furthering Access and Networks for Sports (FANS) Act.

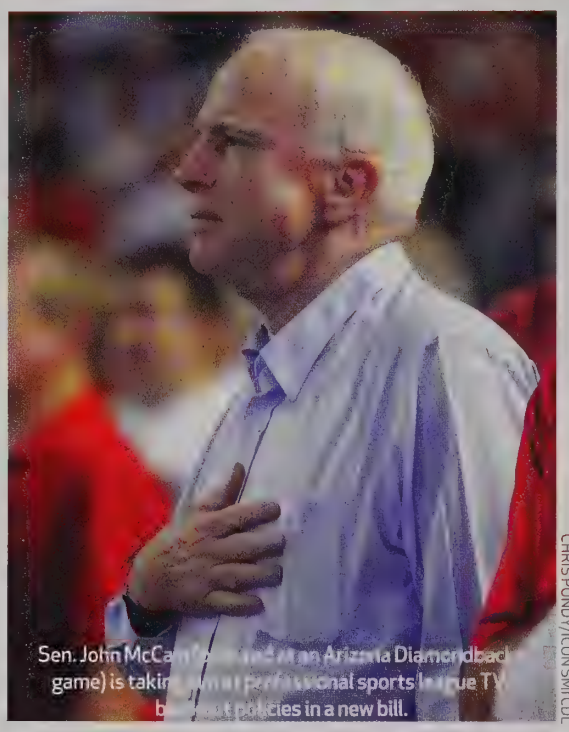
TAKEAWAY

A bill to end TV sports blackouts could cost stations a major bargaining chip in retransmission-consent negotiations.

That proposed legislation would remove the antitrust exemption for any sports league that does not prohibit or limit sports blackouts in their video contracts, including during retransmission-consent impasses.

FOLLOWS FCC ACTION

The Federal Communications Commission two weeks ago, under acting chairwoman Mignon Clyburn, proposed to get rid of the agency's sports-blackout rules. They prevent cable or satellite providers from carrying a National Football League game when the over-the-air broadcast is blacked out. (The NFL requires TV rightsholders to black out any game that doesn't sell out within 72 hours of kickoff within a home team's primary and secondary markets.)



Sen. John McCain [illegible] Arizona Diamondbacks game) is taking [illegible] professional sports league TV blackout policies in a new bill.

CHRIS PONDY/ICON SMI CDL

But even if the FCC makes that change, leagues would still be free to make blackouts part of their contracts.

The FANS Act also would leave leagues able to provide for blackouts in their contracts. But if Major League Baseball, the NFL, the National Basketball Association or the National Hockey League retained blackout rights, they would lose the antitrust exemptions that allow them to collectively negotiate exclusive rights deals. Baseball has an even broader antitrust exemption.

"While the FCC's announcement last week that it would consider changes to the sports blackout rule is encouraging — and something we've urged in the past — legislation is still needed to improve this regulatory framework," McCain said. "The FANS Act would return the focus to the fans, consumers, and taxpayers who make these leagues as successful as they are."

Eliminating the FCC sports-blackout regime would mean that the NFL could no longer black out home games that don't sell out. That was a way to ensure that TV would not eat into ticket sales. The bill's authors suggest there is no longer evidence such blackouts drive fans to the sports venues.

The FANS Act would also remove the exemption for any league that did not make games available over the Internet — they could charge a fee — where viewers could not access them over a TV station or MVPD.

Making games available over the Internet is primarily targeted at baseball, and MLB's policy of blacking out online access in a team's home territory whether or not the fan can view the game on TV. The bill would require more targeted blackout policies, such as those instituted by the NFL and NBA.

"Special breaks should be stopped for professional sports leagues that impose anti-consumer blackout policies leaving their fans in the dark," Blumenthal said in announcing the bill. "Leagues that enjoy antitrust exemptions and billions of dollars in subsidies and other benefits should give their fans fair access to their favorite teams on TV."

MORE ONLINE

To read the FANS Act, click through to multichannel.com/Nov18.

Though CALM Gripes Drop, FCC Investigates a Pattern

BY JOHN EGGERTON

WASHINGTON — Viewers have lodged almost 20,000 complaints about loud commercials since the Federal Communications Commission started implementing the Commercial Advertisement Loudness Mitigation (CALM) Act last December.

Almost 20,000 complaints of loud commercials have been lodged since the CALM Act's implementation.

The number has been decreasing of late, which was cause for some celebration on Capitol Hill.

But the FCC may have found a problem.

The agency recently told Congress it is still reviewing more than half those complaints, has found at least one potential pattern to those complaints — a pattern is the threshold for FCC action, including possible fines — and has opened an investigation into a possible bad actor, which it has not identified.

The CALM Act is the law that makes broadcasters and cable operators responsible for making sure that commercials are not appreciably louder than the programming that surrounds them.

Complaints about loud commercials have quieted since the FCC started implementing the CALM Act last Dec. 12, prompting its co-authors to mark the improvement. The FCC's quarterly report on the act found complaints were down 53% from the previous reporting period to 3,501.

It has only been a year since the FCC began implementing the CALM Act, but the agency is already proposing to make broadcasters and cable operators adopt a new standard for monitoring commercials. In a notice of proposed rulemaking released in the waning hours of Mignon Clyburn's acting chairmanship, the FCC proposed what it said was a minor rule change to the act: an improved loudness measurement algorithm that could lead to even quieter commercials by closing an electronic loophole of sorts.

The act anticipated and made mandatory any successor document so that the standard could keep pace with changing technology (affording the commission no discretion), the FCC said.

The FCC earlier this month put the new successor document out for public comment for 45 days, given that it might require a hardware or software upgrade.

The algorithm appears to be designed to keep advertisers from using silence to offset excessive loudness in calculating the average volume of a commercial.

The FCC wants to hear from folks who have bought equipment that will be hard to upgrade and from smaller TV stations and multichannel video programming distributors that may find it a hardship and need more time.

In the meantime, stations and MVPDs can either adhere to the old standard, or the FCC will waive the old standard if they want to move to the new standard ASAP.

Dish Network, Disney Seek Future-Proof Pact

ERGEN: CARRIAGE TALKS ARE CORDIAL, BUT COMPLEX

BY MIKE FARRELL

Dish Network and The Walt Disney Co.'s unusually cordial talks over new carriage agreements have been complicated by a desire to anticipate future technological developments and how they affect rights, chairman Charlie Ergen said after his satellite-TV firm reported better-than-expected third-quarter results.

Dish added 35,000 net new subscribers in the quarter, a period when analysts expected it to lose 39,000 customers. Due to that and the encouraging news about the Disney talks, shares rose 6% on Nov. 12, to $50.38, and then another 2% on Nov. 13, to $51.52.

Dish Network and Disney have been at odds over the satellite-TV provider's "AutoHop" ad-skipping function (pictured).

TAKEAWAY

Satellite provider Dish Network and Disney are talking nice over a new carriage deal, but future technology remains a thorny issue.

Disney's carriage deal with Dish expired on Sept. 30. Disney networks including ABC, ESPN and such cable stalwarts as ABC Family and Disney Channel have remained available to Dish customers through an open-ended extension agreement.

'MAKING PROGRESS'

"I think both sides are trying to look at where the technology is going and what the world might look like in several years," Ergen explained on the Dish earnings call.

Under a long-term contract, he said, "we don't want to have to go back to Disney and ask permission to do something, and they don't want to come to us and ask permission if there's different forms of distribution for them."

Disney chairman and CEO Bob Iger had said earlier that negotiations with Dish were moving ahead, but issues involving technology are more complicated than first expected.

"There are still issues to be resolved and they could take some time, but as long as we're making progress we are perfectly patient to see this thing through and avoid a blackout of our channels," Iger said on Disney's Nov. 7 earnings call.

Ergen conceded that Dish's relationship with Disney had always not been the best, blaming himself for that.

"I'm not interested in a long-term relationship with Disney unless we can make it our best relationship in programming," he also said. "That's the way we are approaching it. ... And if we can do that, let's move forward."

But he said he could also walk away from a deal: "You don't marry everybody you date. [But] Disney is a very pretty girl."

Most analysts seemed hopeful a deal could be reached.

"We expect the two to reach agreement without a blackout given the stakes for each and since the negotiations seem to be progressing," Credit Suisse media analyst Michael Senno wrote in a note to clients last week.

A sticking point in Dish carriage talks has been the existence of the ad-skipping satellite-TV provider's ad-skipping AutoHop feature on its Hopper digital video recorder. Disney is one of several programmers that have filed suits in federal court to block the product.

Ergen said it would be nice if Disney dropped its AutoHop suit — as two companies pursuing a "best" relationship shouldn't be fighting in court — but added that Dish is trying to convince programmers the technology can represent another revenue stream for them through targeted advertising.

"What we really are trying to get broadcasters to think about [is] if people are going to skip commercials, let's recognize that fact," Ergen said. "And if you recognize that people are going to skip commercials when they play things back on the DVR, is there a better way for us to go about monetizing that?"

Ergen also shed some light on Dish's pursuit of wireless spectrum. He said it's been largely in order to partner with another wireless provider to offer video anytime, anywhere.

Dish has spent about $3 billion on spectrum from DBS North America and TerreStar and has been identified as the stalking-horse bidder for bankrupt LightSquared (with a $2.25 billion initial bid) and its wireless licenses.

SPECTRUM ALLIANCES

Ergen said Dish will participate in the upcoming H-block spectrum auctions in January (which require a minimum bid of $1.56 billion) and is currently awaiting a Federal Communications Commission decision about a waiver that would let Dish convert its AWS-4 licenses to all downlink.

"You can imagine any number of scenarios on the video side where you might partner with one or more than one of the current providers going forward," Ergen said.

Regarding over-the-top services, Ergen said that Dish is only interested in ventures that enhance its existing business. "We're not trying to drive OTT," he said, and Dish's forays in that direction have been largely defensive.

"You've kind of got a couple of options," Ergen said. "You can lead the way, which means you get to set the rules. Or you can be a close follower, which means you're going to accept somebody else's rules. Or you can be a slow follower and suffer the consequences of that."

MCN BRIEFS

Suddenlink Posts Q3 Gains

ST. LOUIS — Revenue rose 5.8% and cash flow increased 8.3% in the third quarter at Suddenlink Communications, fueled by strong gains in high-speed data and phone customers.

Revenue for the period was $543.8 million, a 5.8% increase over the prior year. Adjusted earnings before interest, taxes, depreciation and amortization was $207.6 million, an 8.3% increase.

While Suddenlink lost about 3,000 basic video subscribers in Q3, it gained nearly 22,000 high-speed data customers and 18,000 phone customers. Primary Service Units (a combination of voice, video and data customers) increased by 36,500 in the period, to 2.7 million.

Marcus Quits Charter Board

Jeffrey Marcus

STAMFORD, Conn. — Charter Communications said Jeffrey Marcus, a partner at Dallas private-equity firm Crestview Partners, has left its board of directors.

Marcus became a Charter director in May 2012. His departure leaves one vacancy on the 11-member board, which will seek a replacement.

"I have been a believer in Charter Communications for quite some time. I leave the board in very capable hands and know that the company has a clear vision for its future and is on track for continued success," Marcus said in a statement. He said he was resigning to devote more time to Crestview.

Marcus has a long history in cable. He was chairman of Marcus Cable, which was sold to Microsoft cofounder Paul Allen in 1998 for $2.8 billion. Allen later combined Marcus Cable with Charter later that year.

TWC Tries Telemedicine

NEW YORK — Time Warner Cable Business Class, the cable operator's business-services arm, has begun a "Virtual Visit" Telemedicine trial with the famed Cleveland Clinic.

The trial is an extension of TWC's Home Health Monitoring Strategy, which allows health-care providers to interact remotely with patients in their homes.

With "Virtual Visit," health-care professionals can deliver services remotely to a patient's home, interacting via a television equipped with video-conferencing technology. The service is offered as a fully contained, secure, bundled offering, which includes connectivity, installation and on-site equipment such as modems and video cameras. In addition, the solution provides technical support for patients in their homes.

Multichannel News Index (MNI) 947.15

1.09% 10.29 (WEEKLY)

	Price 11/13	Price 11/6	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
MSOs							
Cablevision	15.31	15.96	-4.07%	16.27	14.24	20.16	13.21
Charter	128.76	128.92	-0.12%	136.23	68.94	144.02	67.06
Comcast	46.21	46.75	-1.16%	44.65	35.03	47.54	34.00
Comcast (special)	47.39	47.81	-0.88%	46.06	36.11	48.90	34.95
Liberty Global	79.41	80.98	-1.94%	77.13	56.96	82.50	68.83
Rogers	44.78	45.20	-0.93%	44.09	43.44	51.98	38.32
Shaw	23.40	23.95	-2.30%	24.12	21.51	25.46	20.82
Time Warner Cable	120.14	120.21	-0.06%	115.79	91.13	128.17	84.57
TOTAL ↓	1,817.70	1,834.73	-0.93%	1,773.89	1,414.53	1,881.99	1,370.76
PROGRAMMERS							
AMC Networks (H)	66.10	72.35	-8.64%	65.95	50.72	73.39	48.41
CBS (H)	60.17	59.62	0.92%	56.25	34.37	60.91	33.04
Crown Media Holdings	3.18	3.13	1.60%	3.23	1.68	3.38	1.55
Discovery Communications	85.55	85.65	-0.12%	80.54	56.77	89.58	54.89
Disney	68.97	69.00	-0.04%	66.21	47.96	69.87	46.96
Twenty-First Century Fox (H)	33.69	33.92	-0.68%	33.23	24.14	35.44	20.35
HSN	57.24	53.97	6.06%	53.30	51.57	65.00	49.13
Liberty Interactive (H)	28.05	27.58	1.70%	24.72	19.64	28.12	18.69
Liberty Media	150.18	150.10	0.05%	149.23	N/A	159.33	101.00
Madison Square Garden	56.83	57.00	-0.30%	57.54	43.89	63.44	42.25
Scripps Networks Interactive (H)	76.60	80.29	-4.60%	77.72	59.96	81.21	55.88
Starz	28.83	28.93	-0.35%	29.05	11.88	30.72	11.31
Time Warner Inc. (H)	67.69	67.69	0.00%	67.92	44.61	70.77	43.78
ValueVision Media	5.33	5.31	0.38%	4.93	1.96	6.35	1.62
Viacom	83.13	83.79	-0.79%	82.00	48.82	86.06	47.61
WWE	13.21	12.72	3.85%	11.09	7.85	13.31	12.98
TOTAL ↓	1,399.32	1,400.42	-0.08%	1,355.43	1,043.06	1,460.48	1,017.02

	Price 11/13	Price 11/6	Weekly % Change	Month Ago	Year Ago	52-Week High	52-Week Low
EQUIPMENT VENDORS							
Arris Group	17.29	17.25	0.23%	17.02	13.86	17.98	13.48
Broadcom	27.58	26.72	3.22%	26.51	30.44	37.85	23.25
Cisco Systems	24.00	23.28	3.07%	23.28	16.85	26.49	16.69
Concurrent	7.58	7.41	2.29%	7.11	4.47	8.95	4.34
EchoStar	50.69	47.24	7.30%	46.89	31.89	50.86	29.82
Entropic	4.71	4.27	10.32%	4.36	4.42	5.82	3.57
Harmonic	7.40	7.30	1.37%	7.68	4.08	8.25	3.96
Intel	24.60	24.25	1.46%	23.25	20.28	25.98	19.23
LM Ericsson Telephone	12.32	12.27	0.41%	13.15	8.64	14.22	12.16
Microsoft (H)	38.16	38.18	-0.07%	34.13	27.09	38.22	26.26
Rentrak (H)	40.10	35.94	11.57%	35.15	16.67	40.79	16.32
Rovi	16.93	16.52	2.48%	18.84	14.89	26.55	14.16
SeaChange	13.79	14.00	-1.50%	12.88	8.84	15.25	13.51
Technicolor	5.09	5.54	-8.10%	5.26	2.38	5.66	2.32
TiVo	13.41	13.56	-1.11%	12.33	10.16	14.25	13.08
TOTAL ↑	1,333.60	1,320.42	1.00%	1,243.95	984.05	1,334.38	1,299.60
TELCOS							
AT&T	35.07	35.82	-2.09%	34.2	33.95	39	32.71
Sprint (H)	7.06	7.07	-0.14%	6	5.58	7.36	5.15
Verizon	49.99	50.61	-1.23%	47.09	42.54	54.31	40.51
TOTAL ↓	651.03	662.4	-1.72%	625.24	598.15	711.08	576.2
SATELLITE TV							
DirecTV Group	63.87	63.5	0.58%	60.65	48.54	67.85	47.71
Dish Network	51.52	48.84	5.49%	47.88	35.17	51.69	33.79
TOTAL ↑	1,725.22	1,687.76	2.22%	1,621.98	1,977.04	2,149.87	1,238.16

SOURCE: Financial Content **NOTE:** The Multichannel Multimedia Index measures the combined prices of stocks listed on this page, weighted by market capitalization. S&P tracks the Standard & Poor's 500 stock index.

TOP 5 PERCENTAGE GAINERS:

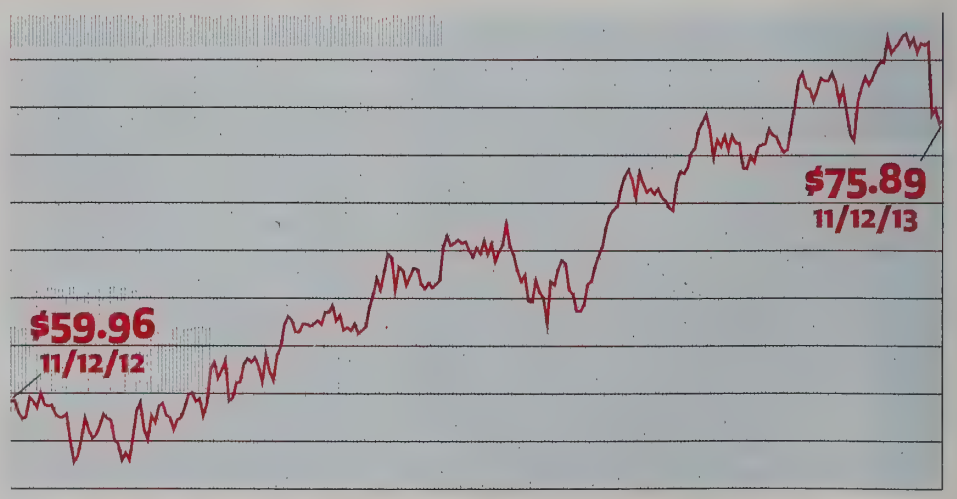
Rentrak	11.57%
Entropic	10.32%
EchoStar	7.30%
HSN	6.06%
Dish Network	5.49%

TOP 5 PERCENTAGE LOSERS:

AMC Networks	-8.64%
Technicolor	-8.10%
Scripps Networks Interactive	-4.60%
Cablevision	-4.07%
Shaw	-2.30%

SCRIPPS NETWORKS INTERACTIVE (NASDAQ — SNI)

Scripps Networks was one of several programmers to take a hit in the past few weeks — shares were down about 5.5% from Nov. 6 to Nov. 12, in part because of some year-end profit taking. Other programmers are also down slightly, which Sanford Bernstein analyst Todd Juenger attributed to hedge funds locking in gains before Dec. 31. Those gains have been hefty: even after the dip, SNI is up 26% in the past 12 months.



SOURCE: NASDAQ website

MARKET INDEX COMPARISON

	Price 11/13	Price 11/6	% Week	Month-Ago	Year-Ago
MNI	947.15	948.21	-0.11% ↓	901.56	749.68
S&P 500	1,782.00	1,770.49	0.65% ↑	1,703.20	1,374.53
DJIA	15,821.63	15,746.88	0.47% ↑	15,237.11	12,756.18
NASDAQ	3,965.58	3,931.95	0.86% ↑	3,791.87	2,883.89

TIP SHEET

CABLEVISION'S BUMPY ROAD

Cablevision Systems has a "bumpy road" ahead on the path to improvement, after poor third-quarter subscriber metrics overshadowed what were largely in-line financial results, Nomura Equity Research media analyst Adam Ilkowitz said. In a research note, Ilkowitz said its decision to halt repetitive promotions is a sound move, but could affect subscriber results for several quarters as promotions expire, "likely impacting recent positive trends on revenue growth and margin improvement."

GOOGLE FIBER IN BIG CITIES?

Google Fiber has focused on smaller markets so far, but BTIG Research analyst Rich Greenfield believes the search giant could move into a top-20 market in the months ahead. Greenfield didn't name any potential locations, but pointed to studies that show the universal need for speed: about 80% of Internet-video watchers will abandon online video if they see loading bars and 11% will drop a website if it loads a second too slow.

Help Wanted

WADL TV, a major market TV station in Detroit, is looking for a

LOCAL SALES MANAGER.

Must have a minimum of 5 years of managerial experience. Will be managing a staff of 10 to 12 sales reps. Experience with Wide Orbit is preferred. Please send resume and related materials to:
Johnm@thewordnetwork.org

EDMUND F. AND VIRGINIA B. BALL ENDOWED CHAIR OF TELECOMMUNICATIONS
DEPARTMENT OF TELECOMMUNICATIONS
BALL STATE UNIVERSITY
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Contract faculty position available August 15, 2014.

This position is designed to attract nationally or internationally recognized professionals or scholars in one or more of the following areas: digital production (audio, video, emerging media, sports), sales and promotion, news, or film and media studies. Additional opportunities may be available in the department's "core" classes of telecommunications foundations, media criticism, law, and writing.

Responsibilities: teach at least two classes during both fall and spring semesters with potential for summer teaching; develop materials for classes; collaborate with other department, or outside entities, on projects; commit to agreed levels of service both on and off campus, including representing the department, college, and university; make at least one presentation annually to the Muncie community on an issue pertinent to the appointment.

Minimum qualifications: bachelor's degree with extensive (10 years or more) professional experience with appropriate national or international recognition.

Preferred qualifications: terminal degree with national or international recognition in either the professional or academic community (10 years minimum). Candidates for contract faculty searches must have current authorization to be employed in the U.S. without employer sponsorship. For more information, please go to **www.bsu.edu/hrs/jobpostings**.

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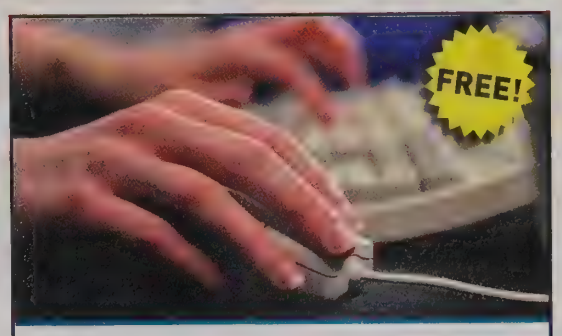

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Cable's Growth Engine Shows Signs of Stalling

NO EASY FIX FOR HIGH-SPEED DATA SLOWDOWN

BY JEFF BAUMGARTNER

While cable broadband speeds continue to accelerate toward 1 Gigabit per second, the rate of subscriber growth is starting to slow down.

And some of the industry's top analysts are making note of this trend, as the U.S. cable broadband market gets saturated and customer subscriber growth starts to show signs of stalling.

TAKEAWAY

Cable broadband service — long the industry's growth engine — appears to be nearing a saturation point, posing a challenge for MSOs.

Worse for cable operators, there doesn't appear to be any quick-fire way to stoke growth in the broadband sector in the near-term, though MSOs are trying on some new strategies and tactics for size.

In the third quarter, terrestrial broadband growth fell to only 3.4%, MoffettNathanson Research partner and senior analyst Craig Moffett wrote in a research note that asked a scary question: "Is Cable Broadband Finally Hitting a Wall?"

Terrestrial broadband penetration now stands at 73% of U.S. homes, an increase of 2.5% from a year ago, according to Moffett's estimates.

That trend was not lost on ISI Group analyst Vijay Jayant. U.S. cable, he explained in a note issued last week, added 510,000 broadband subcribers in the third quarter, down from the 550,000 added in the year-ago period.

While cable continued its overall dominance — accounting for 78% of the quarter's broadband additions — the industry's share is down from 90% a year ago, he wrote. The losses were due largely due to Time Warner Cable, which for the first time ever lost high-speed Internet subscribers, he noted (see chart).

By contrast, every major U.S. telco except for AT&T and Windstream gained broadband subscribers, and all but Windstream and CenturyLink saw significant year-on-year improvements.

Cable operators' satellite competition inflicted more pain. Dish Network, for example, added 75,000 net broadband subscribers in the third quarter, giving it a total of 385,000, a 24% jump versus the second quarter.

Moffett suggested cable operators will likely need to concentrate on lower-income households to stoke broadband subscriber growth.

And the issue varies by operator. While Comcast, Cablevision Systems and Time Warner Cable grapple with high broadband penetration levels, Charter Communications' troubled past has left it with lower penetration levels and, therefore, more room to grow using higher-end 30 Megabits-per-second and 100-Mbps service offerings while eschewing lower-margin and lower-speed "lite" tiers.

TWC, by comparison, is looking to find broadband growth by targeting digital subscriber line customers in its footprint with a new $14.95 high-speed data offering; its goal its to convert at least 500,000 DSL customers to TWC broadband in the next 18 months.

Comcast, meanwhile, is the first U.S. cable operator to broadly test a prepaid Internet offer that targets lower-income "unbanked" consumers. Comcast's no-contract, prepaid Internet service features a Starter Kit that includes a DOCSIS 3.0 modem, the required cabling and 30 days of Internet service for $69.95. After 30 days, customers can refill the service at a rate of $15 for seven days or $45 for 30 days, using a credit, debit or specialized prepaid card at xfinityprepaid.net.

The prepaid service is only available to consumers who don't get a postpaid service from the operator, or don't qualify one due to credit issues or other limitations. Comcast has not said how many customers have taken the prepaid option since it began to test out the product about a year ago.

Broadband Snapshot

How some top U.S. ISPs fared in the third quarter of 2013 versus the year earlier:

SERVICE PROVIDER	Q3 '13 NET ADDS	Q3 '12 NET ADDS
Comcast	297,000	287,000
Time Warner Cable	(9,000)	98,000
Charter	98,000	78,000
Cablevision	(13,000)	19,000
AT&T (DSL and U-verse)	(26,000)	(42,000)
Verizon (DSL and FiOS)	56,000	(8,000)
CenturyLink	33,000	44,000
Windstream	(12,000)	6,000
Frontier Communications	27,000	1,000

SOURCE: Company reports, MoffettNathanson estimates and analysis

TRANSLATION PLEASE

At the Corner of Tech and Finance

Leslie Ellis

As someone who hasn't balanced a checkbook since the mid-80s, accepting an invitation to interview Wall Street cable pundit Craig Moffett came with some trepidation.

It was all part of the California Cable & Telecommunications Association's annual meeting. No, not in Anaheim. Nonetheless, the Western Show nostalgia was thick as a Hilton drink line during a private B-52s gig. Or a Jerrold/GI pool party. Or the line into the White House restaurant. (OK, I'll stop.)

The session went a half-hour over its allocated duration, stopping only when Moffett had a plane to catch, so the trepidation was apparently unwarranted. This week's translation aims to capture the highlights.

We start with the matter of "dumb pipes," and the viability of cable's financial future were it to shift to a usage-based model.

His view: "Dumb pipes are the greatest thing ever!" Why? Because being a commodity is only bad when supply exceeds demand. And nothing, in the history of consumable goods, has ever grown at a compound rate of 50% or more (since 2009, when Netflix started streaming video), other than broadband.

How to model anticipated usage? If people watch 254 hours of TV each month, and that video is digitally encoded at 2 Gigabytes per hour (using H.264 compression), then we're all using about 500 GB every month, by Moffett's model.

Currently, mobile carriers charge $10 and up per GB of usage. Cable could do it for eight cents per Gig, Moffett's model proposes, to get to the $40 per month it would need in transport fees to offset the margins it currently supports in a mixed transport/video-aggregation model.

Speaking of video aggregation: Ever wonder why there's so many more aggregators, these days, than providers of the wire into the home that today's aggregators go "over the top" of? Answer: It takes hundreds of billions of dollars to build that infrastructure.

This means that if one were to examine that $40 per month in gross margin, $39.95 of it is likely transport and a nickel is aggregation.

That brings us to Moffett's gas station analogy, which goes like this: Gas stations make 6 cents per gallon to do two things: Store gas, and pump gas. All the other Big Oil stuff that shapes the price of a gallon of gas? It's a pass-through, if you own the gas station.

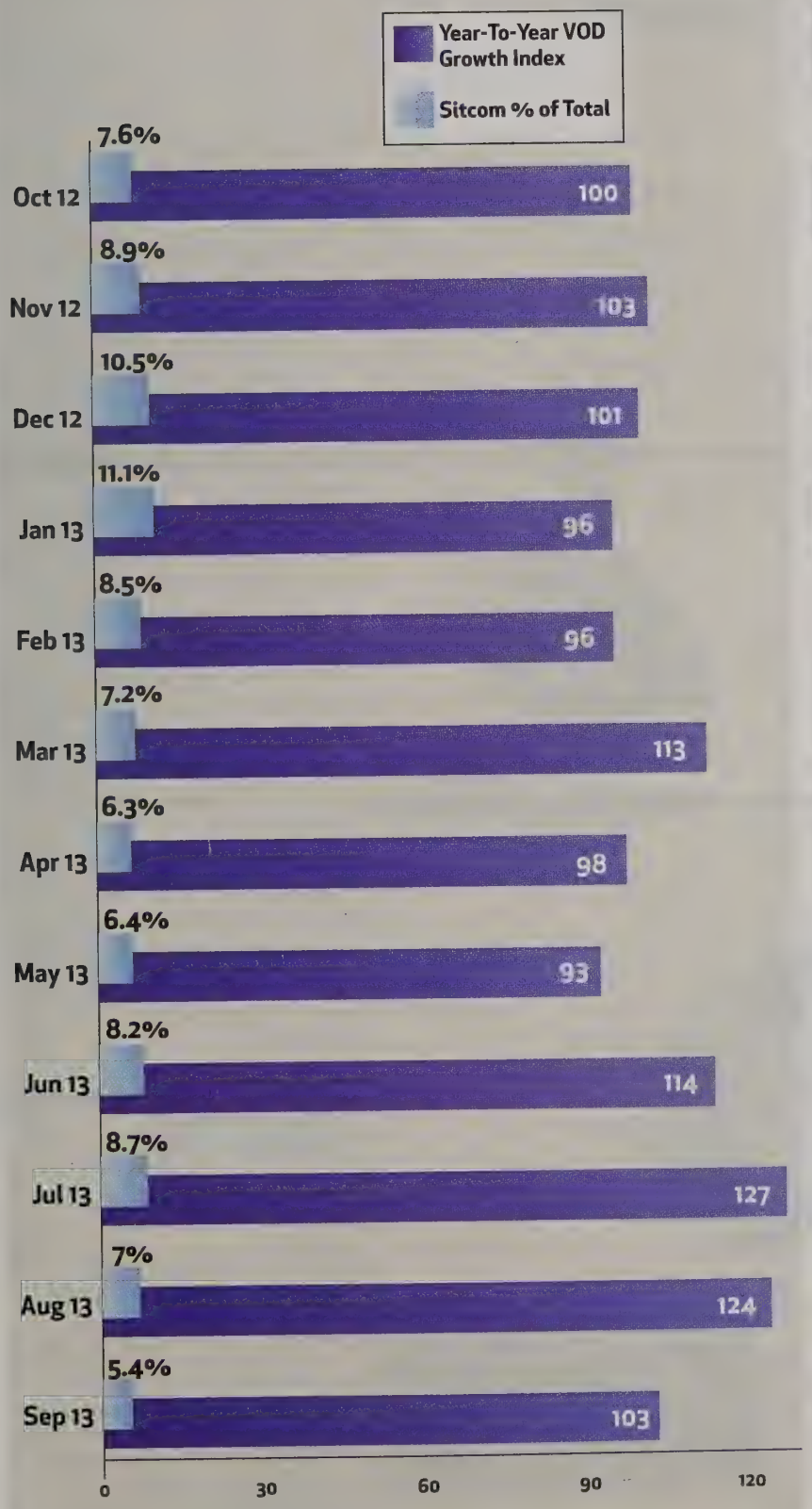
In addition to the video-aggregation function, cable operators also do two things: Store content and transport content to subscribing homes. That 10% rise in programming costs per year? It's a pass-through.

Is it plausible, that this could happen? Probably not at this stage — net-neutrality regulations are likely too far along, and switching up financial models is not for the faint of heart. But if nothing else, it's a useful way to understand what's going on at the intersections of tech and finance.

Stumped by gibberish? Visit Leslie Ellis at translationplease.com *or* multichannel.com/blog.

Tracking the VOD Laugh Track

The chart below tracks all growth in video-on-demand viewing (in number of transactions) from October 2012 though this September for ad-supported, linear basic-cable networks. The dark blue bar represents that growth in VOD viewing for cable networks, up particularly in the summer months. The light blue bar represents how many of those VOD choices were 30-minute sitcoms.



Percentage change momth to month, starting October 2012.
SOURCE: Rentrak

Cable's Movie Moguls

With seven titles each among the top 20 original cable movies, Lifetime and Hallmark Channel productions have dominated in the ratings year-to-date*:

MOVIE	NETWORK	DATE	P2+ L+SD	LIVE-PLUS-7-DAY
Teen Beach Movie	Disney Channel	July 19	**8.3 million**	13.5 million
CrazySexyCool: The TLC Story	VH1	Oct. 21	**4.4 million**	5.4 million
A Very Merry Mix Up	Hallmark Channel	Nov. 10	**4.3 million**	N/A
Being Mary Jane	BET	July 2	**4.0 million**	4.6 million
Snow Bride	Hallmark Channel	Nov. 9	**3.3 million**	N/A
Killing Kennedy	Nat Geo Channel	Nov. 10	**3.3 million**	N/A
Killing Lincoln	Nat Geo Channel	Feb. 17	**3.3 million**	3.9 million
Anna Nicole	Lifetime	June 29	**3.2 million**	3.7 million
Prosecuting Casey Anthony	Lifetime	Jan. 19	**3.2 million**	3.9 million
The Thanksgiving House	Hallmark Channel	Nov. 2	**3.2 million**	N/A
Jodi Arias: Dirty Little Secrets	Lifetime	June 22	**3.0 million**	3.6 million
Twist of Faith	Lifetime	Feb. 9	**2.8 million**	3.2 million
The Good Witch's Destiny	Hallmark Channel	Oct. 26	**2.8 million**	3.0 million
Second Chances	Hallmark Channel	July 27	**2.8 million**	3.1 million
Cedar Cove (pilot)	Hallmark Channel	July 20	**2.6 million**	2.9 million
A Country Christmas Story	Lifetime	Nov. 9	**2.5 million**	N/A
Behind the Candelabra	HBO	May 26	**2.3 million**	2.8 million
Garage Sale Mystery	Hallmark Channel	Sept. 14	**2.2 million**	2.5 million
Betty & Coretta	Lifetime	Feb. 2	**2.2 million**	2.4 million
An Amish Murder	Lifetime	Jan. 6	**2.1 million**	2.4 million

*Period: 12/31/2012-11/10/2013
SOURCE: Nielsen

VOICES

REYNOLDS RAP MIKE REYNOLDS

CBS SPORTS NET RECALLS JFK, 1963 ARMY-NAVY GAME Nov. 13

CBS Sports Network [made] its mark among the channels offering … commemorations of President John F. Kennedy's assassination with a strong documentary about the 1963 Army-Navy football game that kicked off 15 days after the tragedy.

Marching On: 1963 Army-Navy Remembered places the sadly all-too familiar footage of the ill-fated motorcade, Walter Cronkite's unforgettable news read, Jack Ruby's moment, and scenes of a mourning nation and First Family, with player and coaches' interviews from both service academies and Kennedy historians. …[T]he doc provides context to the game's on-and off-the-field importance. …

College football 50 years ago — in a time before the multibillion-dollar business of the BCS and the Super Bowl — was more popular than the pro pigskin ranks. For many, Army-Navy was The Game, the culmination of the college regular season … on the Saturday after Thanksgiving.

Marching On aspires to and succeeds in capturing the nation's grief and how the symbolism of the game – and the playing of the contest itself – was much more important to the country than the final score. … Unfortunately, in the wake of 9/11 and other tragedies, sports all too often has had to function in our nation's healing process.

For more from this blog, visit multichannel.com/Nov18.

MCN'S MOST READ

TOP ARTICLES ON MULTICHANNEL.COM, NOV. 8-15

1. Univision, Univision Deportes to Air Mexico-New Zealand World Cup Qualifiers
2. Billy Gibbons Among New Guests at 'Daryl's House'
3. Verizon Courting Liberty to Make Joint Bid for Intel Media's 'OnCue' Assets: Source
4. Comcast Tests IP Service Targeted at Universities
5. Cablevision to Stop 'Repetitive Promotions'

To read these stories, visit multichannel.com/Nov18.

Numbers

58%

Share of smartphone owners who use their phones while spending time with their family; 62% say they use the phone while with friends.

SOURCE: LG Electronics survey, Nov. 12

SAY WHAT?

"But most of all, I'd like to thank Jon Stewart. He taught me everything I know. In fact, if I fail in the future, it's entirely his fault."

— John Oliver of Comedy Central's *The Daily Show*, announcing his deal to move to HBO for a Sunday-night show next year.

TUNED IN

BY LEO MICHAEL

TALKBACK

www.multichannel.com

Aereo Ascendant

(Re: "ASCAP and Legal Foundation Seek High Court Review in Aereo Case," Nov. 14): "Get over it … Aereo will win.

"When I was walking the streets of California offering cable TV service in the early '80s, most of the households told me, 'Why should I pay for TV when I'm watching it for free?'

"Cable needed the networks. Then.

"Forward to 11/14/2013, and the tide is turning to the olden days. Most households are staying with their TV provider for now, but a whole bunch are cutting the cord, for Netflix, Redbox and a dozen more.

"In some markets the loss of subscribers, cable and DTH, are in the hundred thousands.

"In a city like San Diego, I get over 160 channels [over the air] just from my antennas on the roof. Watchable …. about 24, and I get all the networks, times three!

"The rest of the channels provide us with an amusing [selection] of Spanish-, Asian- and Middle Eastern-language channels.

"My roof antennas now give me San Diego, Tijuana (and all the soccer I could watch), Orange County, San Bernardino, Los Angeles, and Santa Barbara.

"If I can get that many channels with the topography of California, imagine the big metros, and their towers on top of buildings, like New York, and the flatness of all the red states; everyone can be, *again*, watching the TV networks for free.

"The networks will be a la carte in less than two years. That is the only money they are going to get from the distributors …, and Aereo will be leading the way by providing the U.S. with free TV networks … sort of like *Back to the Future*."

"DonCharly"

Twitterati

"Missed opportunity that ALPHA HOUSE did not have John Goodman actually play Sen. John Blutarsky"@poniewozik, ***James Poniewozik, TV critic for Time, on the casting for Amazon's first original streaming show, on Nov. 15***

"Go John McCain … sounds weird RT @awfulannouncing: New AA - Introduced bill would eliminate sports blackouts" @hkaplanm, ***Haven Kaplan Miner, contributing writer at RealGM.com, Nov. 14, on the "FANS Act" introduced last week by Sens. John McCain and Richard Blumenthal (see Rules, page 34).***

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Cable Looks for a Headwind

COLUMN

MARK ROBICHAUX
EDITOR IN CHIEF

You would be hard pressed to find a better performing category of stocks than cable — operators and programmers — in the last two years.

A dog could have made money picking cable stocks. A rising tide lifted all boats as new broadband subscribers kicked in, more quality programming showed up and new devices drove more demand for entertainment. The best-performing stocks skyrocketed — literally more than doubling in value.

But in the last few weeks, the wind seems to have gone out of cable operators' sails, and the recent news raises some existential questions that are suddenly becoming clearer for cable CEOs.

Time Warner Cable kicked off the bad news with some of the worst quarterly numbers in virtually every category: video (-304,000), broadband (-9,000) and phone (-116,000). That poor performance was largely the result of the cable giant's epic 32-day fight with CBS, which many now point to as a turning point for future retrans negotiations. If CBS can get $2 per sub and inflict that kind of damage, the conventional thinking goes, what do broadcasters have to lose? It's a bad precedent for cable operators, no matter how you slice it.

Meanwhile, station giants are forming in expectation of a big retrans payday. Last week, *Multichannel News* reported that over the past two years, station groups such as Sinclair Broadcast Group and Nexstar Broadcasting Group have unveiled deals that have more than doubled the number of stations they control, while increasing the number of stations they own in individual markets — creating duopolies that give them an edge in retrans negotiations. And there's likely to be more deals, as cash-rich station groups like E.W. Scripps have yet to pounce. All of this adds to a cable bill many consumers can barely afford as it is.

Then last week, data from third-quarter earnings reflected not only a continued loss of video subscribers but, even more vexing, a deceleration in cable's flagship product — broadband. Growth fell to a measly 3.4%.

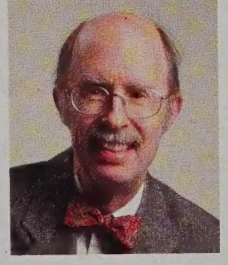
Adding to these doldrums is the fact that some of cable's biggest potential competitors are gobbling up most of its bandwidth. As our story on page 5 notes, Sandvine's latest "Global Internet Phenomena Report" found that Netflix and YouTube tepresent more than 50% of all downstream traffic on North American fixed broadband networks.

And long-term, even cable's grand effort to innoculate the industry against over-the-top players — TV Everywhere — has yet to really get off the ground. Meanwhile, Netflix this week announced that its already superior user interface is undergoing another facelift.

To be sure, cable operators aren't standing still. Comcast's Xfinity, Charter's brand/plant upgrades and Cox's customer-service moves promise to turn the tide of negative news. But cable needs a headwind. Fast.

Why Bundling Doesn't Work Anymore

ACCESS



WARREN GRIMES
SOUTHWESTERN LAW SCHOOL

The word is out. The two largest cable-TV companies have reported their latest quarterly customer attrition. There is no doubt that the longer-term trend for all TV distributors is decidedly negative.

The younger generation of viewers is cutting the cord, or never connecting it at all. They're voting with their wallets because they find the unwieldy forced bundling of TV channels too costly — today's average monthly cable bill is $95 and rising rapidly. These same viewers rely increasingly on other sources for video programming, such as Internet streaming. Something has to give.

Some distributors, seeing the inexorable downward trend in subscriptions, strongly oppose forced bundling. Cablevision Systems, with public support from DirecTV and TWC, has sued Viacom, arguing that the programmer's forced bundle violates the Sherman Antitrust Act. TWC, because it acts as a programmer for Los Angeles sports teams (Lakers and Dodgers) and forces other distributors to bundle the expensive sports programming into the giant pay TV bundle, has been sued for violating California unfair competition law.

If consumers prevail in that lawsuit, TWC could no longer force pay TV customers who have no interest in watching the Dodgers or Lakers to pay an extra $5 a month. In Congress, Sen. John McCain introduced legislation that would force distributors and programmers to offer TV programming on an a la carte basis. Standing in the background, the FCC could be moved to intervene to protect consumers in the manner of its Canadian counterpart. Even if none of these interventions occur, the steady drop in pay TV subscriptions will, over a period of years, ultimately force a resolution.

Meanwhile, programmers continue to insist on oversized bundling. They do so because they have known no other system, and this one means billions of dollars of extra yearly revenue. My estimate, based on a comparison with the Canadian system, is that U.S. consumers are paying $30 billion or more in excess charges every year. This is money that flows to the programmers. Yet, given the inevitability of change, it is in the programmers' interest to be proactive in giving consumers meaningful, lower-cost choices. Programmers and distributors will benefit when consumers perceive they can make their own entertainment choices at reasonable prices. Sound marketing and good public relations go hand in hand.

Programmers must face the inevitable reality. Running a business responsive to consumer demand will require giving up short-term profits, but it is a principled and sound business strategy for long-term profitability.

Warren Grimes is a professor at the Southwestern Law School in Los Angeles.

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Matt Blank's Showtime Record Makes for Roasting Good Fun

Center for Communication honoree Matt Blank (r.) took some good-natured ribbing from *Californication* star David Duchovny (l.) and A+E Networks chairman Abbe Raven about Showtime's racy programming past and present.

Showtime Networks chairman and CEO **Matt Blank** found himself squarely in the firing line last Monday (Nov. 11) during the annual **Center for Communication** award luncheon.

Blank, who received the organization's Frank Stanton Award for Excellence in Communications, was the butt of several jokes ranging from his receding hairline to the morally questionable content of Showtime programming.

A+E Networks chairman **Abbe Raven** got the festivities off to a gritty start by calling Blank the "Sy Sperling" of cable television, referring to the infamous founder of **Hair Club for Men**, taunting Blank for his lack of hair follicles. She also tapped into the recurring theme of Showtime's sexually-charged programming, noting that Blank's resume is populated with such high-caliber sex shows as *Gigolos*, *Weeds*, *Californication*, *Sexual Healing*, *Beverly Hills Bordello* and *Masters of Sex*.

AMC Networks president and CEO **Josh Sapan** then chimed in, saying that Blank, as a child, planned to alter the television business by "robbing it of its moral compass when I get to run a network."

David Duchovny, star of Showtime's drama series *Californication*, which is ending its run with a seventh season in 2014, said Blank has taken the Showtime network from a sketchy provocateur of soft-core porn in *Red Shoe Diaries* — in which Duchovny appeared — and has led it "into the present, where it boasts of such shows as *Californication*, *House of Lies* and *Masters of Sex*." The actor also joked that it says a lot of Blank that the executive would ask an actor whose show he just cancelled to give him a prestigious award.

Before humbly accepting the award, Blank shot back at Raven for delivering such highbrow programming such as *Hoarders* and *American Hoggers*, as well as at Sapan and his penchant for collecting garbage art — "Some say that's how AMC got some of their shows."

He also poked fun at his own network's content. "As executives, we get to have jobs where we get to say yes to some very important things ... shows with God-fearing themes built around enduring family values and shows that lift us up and improve the lives of viewers, like *Weeds*, *Shameless*, *Californication* and *Gigolos*. Surely a future Humanitas Award winner."

— R. Thomas Umstead

Cox's Kathryn Falk Elected Chairman of Virginia Cable Group

Kathryn Falk, **Cox Communications** vice president of public and government affairs for the Virginia region, joined Cox in 2002 after serving five years at the **Virginia Cable Telecommunications Association**.

Last week, at the 47th annual Virginia Cable Show in Colonial Williamsburg, Falk was elected chairman of the VCTA's board.

"It's a great opportunity for me and the association to have her in the chair this year," VCTA president **Ray LaMura** told The Wire, saying Falk knows what the association needs and also what its member companies need.

Cox's Kathryn Falk

Walking around at the gathering, at the Williamsburg Lodge, LaMura said he was reminded of earlier days in cable, when Falk was still at the association. A common refrain heard in conversations was "What can I do for you?" And not just from vendors to operators, but from operators to vendors, he said.

"I think that's the greatest value of associations, to create vibrancy for the industry on a continuous basis," LaMura said. "Because when we're all working together, all the boats get lifted."

Falk told The Wire: "It is such an honor to be elected chairman of the Virginia Cable Telecommunications Association. It is a wonderful and vibrant organization with highly engaged members on the system and vendor sides."

She noted the annual meeting honored the legacy of past members including **Donald A. Perry** of **First Commonwealth CableVision** and **Britt Belyea**, a leader in engineering and the SCTE. "This rich history is part of what makes this group so special," she said.

The Nov. 11-12 conference drew about 150 attendees, officials said.

— Kent Gibbons

In His Wheelhouse: FCC Chair Opines On Lincoln 'T-Mails'

PBS special *Lincoln@Gettysburg*, which airs Nov. 19 at 9 p.m. (ET), is filled with cable connections. The one-hour special is about how **Abraham Lincoln** relied on his era's new communications technology — in this case the telegraph — to keep his finger on the pulse of the nation.

Given that subject matter, it was a no-brainer to tap new **Federal Communications Commission** chairman and former **National Cable & Telecommunications Association** president Tom Wheeler, the author of a book on the subject, *Mr. Lincoln's T-Mails*.

FCC chief Tom Wheeler brings his expertise to bear on the life of Lincoln for PBS.

But the show has another NCTA connection. Also interviewed was **Colin Powell**, father of current NCTA president **Michael Powell** and former chairman of the Joint Chiefs of Staff and Secretary of State, who also weighs in on Lincoln's use of new technology.

"Abraham Lincoln recognized that he who controls the conduit also controls the content," Wheeler says in the show.

Nov. 19 is the 150th anniversary of Lincoln's Gettysburg Address.

Lincoln clearly understood the power of the telegraph. In what is billed as his only lecture, which happened to be on subjects still very much on the minds of modern communications policymakers — patents, discovery and invention — Lincoln said, "The iron horse is panting, and impatient, to carry him everywhere, in no time." He added: "The lightening stands ready harnessed to take and bring his tidings in a trifle less than no time."

Indeed, sirrah.

— John Eggerton

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